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ROYAL COMMISSION ON

# Publications

## HEARINGS

HELD AT

MONTREAL

VOLUME No.:

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ROYAL COMMISSION ON PUBLICATIONS

Proceedings of hearings held at  
the ICAO Building, Montreal, Quebec,  
on Tuesday, December 6th, 1960 et seq.  
at 10:30 a.m.

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COMMISSIONERS:

|                    |                           |
|--------------------|---------------------------|
| M. GRATTAN O'LEARY | Chairman                  |
| J.G. JOHNSTON      | Member                    |
| C.P. BEAUBIEN      | Member                    |
| MICHAEL PITFIELD   | Secretary                 |
| G. QUINN           | Administrative<br>Officer |

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MEMORANDUM FOR THE RECORD

Reference is made to the report of the  
Committee on the Administration of the  
Department, dated June 1, 1910, and  
the report of the Committee on the  
Administration of the Department, dated  
June 1, 1910.

Very respectfully,  
[Signature]

|           |                |
|-----------|----------------|
| Chairman  | W. D. HARRIS   |
| Members   | J. G. JOHNSON  |
| Members   | C. F. JENNINGS |
| Secretary | W. D. HARRIS   |

Approved: [Signature]  
[Signature]



## I N D E X

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--- On resuming at 10:30 a.m., Tuesday, December 6, 1960.

THE CHAIRMAN: Order please, gentlemen.

SUBMISSION OF PROFESSOR HUGH MacLENNAN

EXHIBIT NO. M-9: Submission of Hugh MacLennan

MR. QUINN: Professor Hugh MacLennan. Would you identify yourself for the record, please.

MR. MacLENNAN: My name is Hugh MacLennan. I am a writer and associate professor at McGill University.

In approaching the Royal Commission on Publications, I do so in the conviction that the question now before it is one of the most subtle and important questions faced by any Royal Commission ever appointed. Much more is at stake here than the survival of our relatively few native magazines which appeal to the general reading public of Canada.

It is difficult to imagine the future, but this much at least we can be sure of: if the present unfair foreign competition kills our magazines, their disappearance will be, as I believe the lawyers would say, forever and for all time. If they die in the course of the next few years, they will not be re-born, nor is it likely that new ones will be born to replace them. This entire field of publishing will fall into foreign hands, and our surrender -- again to use the lawyers' phrase -- will also be forever and for all time. What happens

1. The first part of the paper is devoted to a general

discussion of the problem and its importance.

The second part is devoted to a detailed

analysis of the various methods proposed in the literature.

The third part is devoted to a comparison of the

results obtained with the various methods.

The fourth part is devoted to a discussion of the

conclusions and the prospects for future work.

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The eleventh part is devoted to a discussion of the

conclusions and the prospects for future work.

The twelfth part is devoted to a discussion of the

conclusions and the prospects for future work.

The thirteenth part is devoted to a discussion of the

conclusions and the prospects for future work.

then to Canada?

Again it is risky to foretell the future, but in a situation of this sort, considering the nature of the competition, the future would be at least reasonably predictable. If every magazine available to English speaking Canadians came from the United States, it might be excessive to argue that this would mean the outright extinction of the Canadian nation. The Americans would continue kind, gentle, and considerate; that is the kind of people they are. They would not bully us. They would however incorporate our minds and our national purpose, and in so doing they would assume they were helping us. And the Canadian nation as an entity which means more than a place where people live and work would quietly, almost imperceptibly, fade from sight.

If a substantial member of Canadians believe this development is inevitable, then it would seem fair that they say so in public, debate the matter in parliament and press for an entire change in the educational indoctrination of our youth. At the moment we are raising our youth to become what is called "good Canadians". Let us therefore not betray them. Let us not make Rip Van Winkles out of them, with the result that they will wake up twenty years hence, rub their eyes and discover they are not Canadians at all, but living in a state of undefined colonialism.

Most Canadian magazine publishers with whom





I have discussed this situation seem to me to view it too narrowly. They have been so heavily engaged in the struggle for economic survival that it is difficult for them to see beyond their balance sheets. They under-rate their role, actual and potential, in the life of Canada. They entered a publishing field already occupied, within their own country, by American magazines of immense wealth and prestige. They had to begin like little boys struggling against giants. They were modest in their claims to prestige. They came slowly to the realization that the little corner of interest they exploited -- Canada -- had developed to some extent as a result of their own efforts into something indispensable to the nation's very existence. I have always believed that our periodical press could be bolder and more imaginative than it is. For years it underpaid its writers. In many areas it is still much too imitative of the competition. Yet in fairness it must be said that the publishers have done much better than they have usually claimed. They could serve the country better than they do now. If their economic position were more favourable, I am sure that they would serve it much better. But they have at least served Canada so well that most Canadians would feel lost and abandoned without them.

The Commission probably knows that I am a novelist and a freelance writer of non-fiction, and that for more than twenty years I have been intimately involved





in almost every aspect of writing in Canada. However, I have never regarded myself as a narrow nationalist. It seems the essence of good Canadian citizenship that we have contempt for narrow nationalisms of any kind. It has always been my view that, as in Canadian writing and art, Canadian magazines likewise should be grounded solidly in what might be called the Canadian Experience; at the same time (and by using the Canadian Experience) that they reach out into the world. My own novels have been published in nine different countries, and there are other Canadian authors who have published in more countries than that. This could not have happened had the work been provincial. Canada is on the verge now; she is on the verge of making good her claim to sit at the table with the old and honoured cultures.

For I look forward, and I am sure the Commission does also, to a nation which soon will have a population of more than thirty million people. If the Canadian Experience endures until then, if it survives the difficult years, our children will not be arguing about whether or not our periodical press needs any special support. With that larger population behind them, our periodicals will be secure. Therefore, if at this moment the economic basis of our periodicals is protected, there seems small doubt that by the century's end Canada will have one of the most interesting and varied periodical literatures in the



world.

In a modest country this may sound like a boastful statement. Some evidence should therefore be offered in support of it.

The literature of a country, especially the periodical literature, depends on three factors for a state of health. The first is an alert, critical and interested public; the second is a vigorous and competent group of writers; the third is an economic situation within the publishing field sufficiently favourable to sustain a periodical literature. I would submit that the first two of these factors exist now.

The interest shown by the Canadian public in native writing has grown tremendously, even dramatically, during the past twenty years. Nor are the reasons for this development hard to find. Literature, unlike science, is an activity which cannot be imported into a society by trained men. It must grow out of the society itself. This does not happen until the time is ripe; until the old colonial province, which was dependent in its growing years on a mother country or on a more mature neighbour, becomes old and experienced enough to consent to be its own judge.

The experiences of the First World War, then of the Depression, finally of the Second World War and the post-war boom combined to produce in Canada the necessary maturing ferment. The old colonial habit of mind withered away. During the more than





twenty years in which I have been a practicing writer, I have seen a hunger for Canadian writing grow rapidly into an intense demand. Every writer I know who has written truly of the Canadian scene has been challenged by this demand and sustained by the public response. The Canadian audience today is a wonderful audience for native work. It could absorb much more than it is getting. And for this development of interest in Canada, this growing awareness of what it means to be a Canadian, this new feeling of responsibility to the nation's future -- for all these things the magazines of Canada have seriously and consciously worked. The fruit may not be ripe yet, but it is so close to being ripe it would seem a tragedy were it nipped by an economic frost.

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For Canadian writing is just beginning to verge on a genuine maturity, and this has been more clearly recognized abroad than here. Several of our poets are recognized as writers of international stature, both in English and in French. One of our French-Canadian novelists is the only person not a French citizen to have won the prix femina in France, and Gabrielle Roy achieved this honour with work entirely Canadian. Another Canadian novelist, who is also a playwright and essayist, was recently described by Alfred Knopf, the distinguished American publisher, as the finest literary critic now alive. The New Canadian, Brian Moore, for some years regarded as one of the best novelists of his extremely gifted race, is now turning his attention to the Canadian scene. Another New Canadian, David Walker, is doing the same. In the autumn of 1959 one Canadian novel was selected by the critic of the New York Herald-Tribune as the outstanding work of fiction in the international field in that year. Two books of essays were published in the autumn of 1960 both in Canada and the United States; it was said by nearly a dozen American reviewers that if the essay is to survive on this continent it will probably be because of work done in that form in Canada.

Since this brief was composed the famous international critic, Edmund Wilson in the New Yorker, November 26, 1960 concluded a long article on Morley Calahan with the following paragraph: "The reviewer



is now wondering whether the primary reason for the current underestimation of Morley Calahan would be simply the general incapacity -- apparently shared by his countrymen -- for believing that a writer whose work may be mentioned without absurdity in association with Chekov and Turgenev could possibly exist in our day in Toronto".

When Colin Macdougall's Execution was published two years ago, his English publisher (Macmillan) told me that the readers of that firm regarded this as the best military novel to come out of the Second World War. When it appeared in the United States, the critic of the Seattle Post-Intelligencer wrote: "This is the final proof that the most significant writing in the western hemisphere is now coming out of Canada." That is an extreme statement. One man made it.

This latter statement should, of course, be judged in its context, for its context is of concern to the whole cultural position of this country. No American critic would have dreamed of making such a statement even fifteen years ago. But since that time not only has Canadian writing matured and broadened its base; American writing has fallen into a profound slump. Therefore, the points I am seeking to establish here are actually two. If our magazines survive, there need be no serious fear of a lack of Canadian writing to fill their pages. If they do not survive, the American writers who will capture our





entire market will not, at least on their showing during the last fifteen years, be Mark Twains, Hemingways, Faulkners, Monckens and DeVotos. They are all too likely to be journeymen writing to formula.

The third factor, the economic one, must now be considered, and here the picture is not only ominous, it is rapidly deteriorating, and through no fault of the Canadian public or of the Canadian publishing industry.

The position of our periodical press nine years ago was authoritatively set forth in the Massey Report (Chapter 1, Paragraphs 23, 24 and 26) from which, for the sake of the present record, I select the following excerpts:

"In the periodical press we receive indeed many admirable American journals, but also a flood of others much less admirable which, as we have been clearly told, is threatening to submerge completely our national product:

"'A Canadian culture with an English-French background', so runs the brief of the Societe des Ecrivains Canadiens, 'will never reach the level we desire so long as suitable measures are not taken against the invasion of the Canadian press by one of the most detestable products of the American press, so long as thousands of pages Made In United States are slavishly reproduced by English language



papers or translated for French-speaking readers, so long as pulp magazines and other works of the same nature enter or are distributed in Canada without any restriction, as is now the case.' (Massey Report, Chapter 1, Paragraph 23).

The Report continues in Paragraph 24:

"The Canadian periodical Press Association tells the same tale. Although during the last generation our periodicals have maintained and greatly strengthened their position, the competition they face is almost overwhelming. Canadian magazines with much difficulty have achieved a circulation of nearly forty-two millions a year as against an American invasion of over eighty-six millions. 'Canada ... is the only country of any size in the world,' one of their members has observed, 'whose people read more foreign periodicals published in their own land, local newspapers excluded.' The Canadian periodical cannot in its turn invade the American market; for Americans, it would seem, simply do not know enough about Canada to appreciate Canadian material. Our periodicals cannot hold their own except in their limited and unprotected market, nine million English-speaking readers. These must be set against the one hundred and sixty millions served by their competitors in the whole North American continent." In Paragraph 26, the Massey Report concludes this discussion:





"American influences on Canadian life to say the least are impressive. There should be no thought of interfering with the liberty of all Canadians to enjoy them. Cultural exchanges are excellent in themselves. They widen the choice of the consumer and provide stimulating competition for the producer. It cannot be denied, however, that a vast and disproportionate amount of material coming from a single alien source may stifle rather than stimulate our own creative effort; and, passively accepted without any standard of comparison, this may weaken critical faculties. We are now spending millions to maintain a national independence which would be nothing but an empty shell without a vigorous and distinctive cultural life. We have seen that we have its elements in our traditions and in our history; we have made important progress, often aided by American generosity. We must not be blind, however, to the very present danger of permanent dependence."

In the nine years since the publication of the Massey Report, the situation has changed considerably. The population of Canada is larger now; so is that of the United States. Our writing is more vigorous now, and our magazines have had another decade in which to prove their worth and usefulness; at the same time the invasion of American periodicals has not only increased, it has increased in a pattern which strikes at the very root of the economic base of our own. Nor is this all. Owing to the tensions



of the cold war and the increasing influence of Madison Avenue in American life, the most powerful of these American competitors have become more insular than they used to be. The element of propaganda creeps into article after article, often, I would guess, subconsciously. The points of view of other nations are deemed of less and less value. This exclusive American editorial content cannot but weaken the Canadian spirit of independence. In time, it may gravely inhibit the judgement and conduct of our own government, which will find itself dealing with an electorate whose minds are partially controlled by the American opinions-industry. Against this tidal wave, one of the strongest defenses we have is a vigorous, native periodical press.

The Commission is certainly aware that, in the eyes of the Canadian Periodical Press, the most serious development in the American invasion pattern has been the great increase in the number of the so-called "Canadian" editions of mass-circulation American magazines. Other briefs will be more competent than mine in furnishing the Commission with the facts and figures of this competition. But my own experience leaves me in no doubt that these "Canadian" editions could soon be the last straws which will break the back of our native industry. In this connection, I could cite the experience of The Montrealer, a magazine to which I contributed an essay a month for some eight years.





Since before the war, this little magazine has been a feature of Montreal life. It lived from hand to mouth; often it appeared no more than a throw-away sheet. But even in its leanest years, it opened its columns to a large variety of Canadian writers and cartoonists. In the mid-fifties it was purchased by a new management of young men, and inside two years it was transformed. Its circulation rose from a legitimate one of about 6,500 to a legitimate one of about 23,000. It was spotty, and it could afford to pay its contributors only a pittance compared to what an American publication would pay for comparable work. But it must have had some kind of appeal and quality. Month after month, I found that it claimed my best non-fiction. Month after month, I saw more and more new writers introduced in its columns. It was not provincial. Its cartoons were often brilliant: One of its cartoonists, a regular contributor to The New Yorker, was a Canadian who drew regularly for The Montrealer. Politically it was both independent and unorthodox. Its owners were thinking seriously about making an effort to extend its circulation beyond Montreal. Then the roof fell in.

Within a few months after the cancellation of the old advertising tax on the "Canadian" editions of American magazines, The Montrealer found itself virtually powerless to continue operations. The advertising on which it had depended for its economic



life - a tiny revenue compared to those of large publications - was lost to the American competitors offering their split-runs. The editor resigned. The little team of writers who had kept it going in hopes of a real future for the magazine drifted away.

I would like to make an amendment to the original submission. The Montrealer still survives because it was taken over by a multiple publishing house. It is in competent hands and I am assured if relief in the advertising field can be obtained every step will be taken by the management not only to revise the magazine, but to sell it across Canada.

The Montrealer was not the only victim of the competition of these "Canadian" editions. Though I cannot speak with authority, I would guess that Mayfair was another. I know that every magazine in the country, even the one or two large ones, has been pressed to the danger point unless able to depend on the vast circulation offered by a tie-in with a variety of daily newspapers. On many occasions editors have admitted to me privately that they had to curtail their budgets, and postpone all thought of enlargement. And one of the most serious aspects of this situation is not the plight of the struggling magazines we still possess; it is that no publisher unwilling to court bankruptcy would dare launch a new one. The United States would never tolerate this kind of competition from foreign





publications within American borders. I doubt if any country on earth would tolerate it. If the Canadian public were fully alerted to it, I believe they would clamour with indignation.



It is not the Canadian way to clamour about matters like these in public. Far better, it seems to me, that parties closely interested in the publications industry, people who know precisely what the danger is, should quietly seek methods of controlling it.

Ways and means whereby protection can be given to our magazines I would not suggest: I am neither a lawyer nor a business man. But surely they can be discovered and put into action, and without giving offence to our fair minded neighbour, the United States. Surely it is self-evident, in view of the damage done to our native talent and our nation's spiritual potential, to require at least that no publication, printed outside the country and containing an editorial content entirely or in large proportion foreign, should be permitted to carry Canadian advertising directed specifically to the Canadian consumer. A huge American magazine with a circulation running into the millions can claim with truth that its subscribers pay much of its freight. But subscribers cannot sustain a Canadian magazine to anything like the same degree because there are as yet not enough of them. Whether we like it or not, advertising revenue is the economic lifeblood of a Canadian magazine. This makes it all the more unjust that these "Canadian" editions should be allowed to bleed our own publications white.

Why, one might surely ask, should they



have the presumption to call themselves "Canadian" at all? Why should any magazine be allowed to arrogate to itself the financial benefits of our domestic market when they do not, and cannot, have the slightest intention of serving Canada as an American magazine would serve the United States? Why should any magazine be permitted to call itself Canadian (in order to take advantage of our market) unless at least 65 per cent of its editorial content deals with Canadian topics written by Canadian writers, unless it is edited by Canadians owing no obedience to a head office south of the border, unless it deals with foreign material from a Canadian point of view?

It was with this threat specifically in mind that I wrote in Maclean's (November 5, 1960) an article It's The U.S. Or Us. This article was not in the least hostile to the United States; on the contrary, it was intensely critical of our own spinelessness. "Give me the making of the songs of a nation, and I care not who makes its laws" -- in that article I parodied the old saying and repeat it here for the record:

"Give me the writing of a nation's advertising and propaganda, and I care not who governs its politics.

And also:

"Canada is becoming, at least on the popular level, a mental and spiritual colony





of the United States; a conditioned-reflex colony of that cluster of ideas, values, habits and thought-patterns called by Mr. Harry Luce, I believe, 'The American Way of Life.'"

As experienced people, we all know there is no malice behind this American invasion of our souls. I have no doubt that some of the publishers of these mass-circulation magazines with "Canadian" editions will claim, possibly with sincerity, that they are doing Canada a service by providing us with reading matter and by publicizing Canada abroad. If the reading material is good, they certainly are doing us a service. But the amount of publicising of Canada they do is nugatory. For us to consider that the occasional friendly pat on the back from an American magazine is a good exchange for the demise of our own publications industry -- no, nobody in Canada would accept that argument.

But even if the competition of these so-called 'Canadian' editions is controlled, there will remain the still immense competition of the regular American magazines (without "Canadian" editions) which flood the market of this country. This is a problem and a challenge of a different sort entirely. It is one to which a clear attitude should be taken.

Overwhelming though this competition is (the more so because it captured the Canadian market



before our own magazines entered it and has had years in which to condition Canadians to its styles and values), I nevertheless would argue that we should accept it. We would think less of ourselves, and rightly, if a spirit of "little-Canadianism" should deny the principle that communications be kept as free and open as possible. It would be preposterous for us to suggest an embargo on foreign magazines -- though perhaps a tariff might be deemed essential -- I would not know -- providing those foreign invaders make no claim on the Canadian advertising dollars on which our own publications depend for economic life. No sensible person would suggest that any authority should be asked to dictate to Canadians what they should read.

Through the course of this entire brief, I have been arguing that economic factors -- except where they are essential to the life of a publication -- should take second place to the general national and human welfare. Were I an American writing in the United States, I would urge that the American market, in the best interests of the American people should offer scope for more foreign competition than it now does. It is bad, it makes for insularity, if a population reads nothing but native work. The Soviet Union is an extreme example of what follows from a news and literary embargo deliberately imposed. The United States, though to a far lesser degree, is an example of what follows from an unplanned exclusion





of foreign journals. So all-embracing is the American communications industry that hardly any publications except books have any serious chance in the domestic market of that country. Certainly no Canadian magazine has a chance. As a result, few foreigners can fail to observe that the average American is unnecessarily unconscious of the changing world of his allies and his opponents. The ignorance of the average American of Canadian realities is too well known to all Canadian to enlarge upon.

For all these reasons, my view is that a fair American competition in the publishing field should be accepted by us -- providing only that it is not permitted to swamp us totally, to drive our native journals out of the market, and eventually to stifle our native voices. I believe that every fair-minded American would agree that we would be unworthy of nationhood if we permitted this latter fate to happen.

Writing in Maclean's (November 5, 1960) the distinguished American Mr. Richard Rovers had this to say on this matter:

"If I were a red-blooded Canadian and could think of a way of fighting off Madison Avenue and Hollywood without ~~damaging~~ the liberties of my countrymen, I would set about the work immediately".

After enumerating a variety of our sleazy imitations of the worst, not the best, examples of American taste,



Mr. Rovers continued:

"The values of a nation are embodied...  
in its songs and myths and folkways, and it  
is in these that independence should first  
of all be defended."

In Canada they are of course embodied in more than that. They are embodied in our political system, in our understanding of compromise, in the tradition of our religions, in the struggles of our ancestors to make the second nation produced by the American Revolution a reality, in our memories and in our sacrifices. But embodied or not, those values will wither away without the outlets to celebrate them, without forums to debate them, without writers, artists and journalists to expound them, without a public with a chance of becoming conscious of those profound, hidden influences which lie buried in the public mind. If our native outlets are blocked, or are superseded by foreign ones, the future of the Canadian Experience -- as I indicated at the outset of this brief -- is surely predictable. It will disappear into the limbo of forgotten histories. It will be useless save to point the moral of what happens to a nation which is too timid and unimaginative to believe in itself. If, out of laziness or fear of offending, we permit a friendly neighbour to think for us, feel for us, speak for us and judge for us, we are through.

There is no substitute -- none -- for the



native outlet for native expression. It may be casually assumed that American publishers, who believe in free speech, would open their columns to Canadian topics should their competition destroy all Canadian outlets. But they will never do this because they are in business, and it would be bad business for them to force down the throats of the far larger American population articles on a Canada the American public cares virtually nothing about. Almost the only American magazines -- outside the occasional page in a news magazine -- which regularly publish serious Canadian articles are Holiday and National Geographic. I have been a contributor to one of these journals and have invariably found their editors charming, intelligent and co-operative. But these magazines are unique in the field. By their very nature, they publish material from all over the world.

It might be argued that if our magazines perished, the CBC and the daily press would suffice to keep alive and growing our national identity. I would not for an instant suggest that the magazines are as important as the press and the CBC, but it seems obvious that if they perished, and their place was taken by American publications, the task of the press and the CBC would become incomparably more difficult than it is now. Owing to the spread of the country, the press is decentralized. Weekend and the Star Weekly are the only publications connected with





the daily press which could claim any nationwide coverage. On the whole, the press would find it very difficult to inaugurate serious debate, on a nationwide scale, on moral, social and cultural issues. As for the CBC, it cannot offer the same weight of evidence and fact that a magazine article can. It cannot provide the viewer or the listener with matter which he can re-study, weigh and consider.

It will probably be said, if only for the sake of argument, (and feared by Canadians even if it is not said) that if steps are taken to guard our interests in the publications field, the result will be damaging to our friendship with the United States. But surely any psychologist would recognize that in the long run the opposite is more likely to be the result.

Hatred of others is usually an expression of self-hatred, of self-contempt or of frustration. Nothing is more distasteful to self-respecting Canadians than the growth of serious symptoms of anti-Americanism in recent years, and the cause of this is something we all should understand. So far -- surely this is self-evident? -- the chief cause is sheer frustration. Many Canadians cannot help believing that our nation's fate is being systematically taken out of our hands. Probably there is no system in what is going on; probably it is happening merely because we allow it to happen. But so long as this process continues without interruption, anti-



Americanism is sure to increase here. It will be the inevitable response in a people made to feel that they can achieve no recognition of their own value save through American eyes. It will be the sure result of the amiable conquest of our own national purpose by that of the United States.

For when people believe themselves unable to be their own judges, they become sour of soul. This has not happened to us yet. But it will certainly happen unless we contrive ways of saving and increasing the outlets of self-expression which are at once a therapy and a cause of self-respect and maturity. The Americans will like us much better if we stand up for ourselves now than if, later on when it is too late, when we have become dependent upon them for everything which gives value to the imagination, we are embittered at them for providing us with the mental food we then must accept in lieu of any of our own.

From every standpoint, I therefore respectfully urge that the Royal Commission on Publications consider ways and means of saving our magazines from extinction, and of making possible the economic conditions within the trade which will permit new ones to be born. Failing prompt action in this respect, one of these days we will read in Time that from henceforth all Canadian voices save those of the CBC and the daily press are American voices. After that, Canada will certainly exist as a





geographical expression but, I would think, less of a real nation than New England is now, and far less the master of her fate. New Englanders can at least vote in American elections.



COMMISSIONER JOHNSTON: Mr. MacLennan, this brief of yours should I think make all Canadians do a little more thinking. I was just wondering if you would be good enough to expand what you call the Canadian Experience?

MR. MACLENNAN: Well, sir, that would take an awfully long time. Well, I have to speak a little bit personally here, if you do not mind. It is our history. It is our background. It is the peculiar way this country was made. There is not any one like it that ever grew like this -- the fact that the most unlikely bodies of people, Loyalists and French-Canadians, the original Canadians first and later the Highland Scotch people and later the Irish people, who have all had troubles one way or the other with each other finally managed to form a nation here which is as stable as any on earth. That is surely an experience very unique.

I have often as a writer -- I never thought I would be called a Canadian writer. I do not like that kind of epithet as subject to a writer, but I have often thought of this. I was born in Cape Breton, which used to talk about Nova Scotia, which used to talk about Upper Canada, meaning Quebec, and used to talk about the west -- meaning anything from Hamilton to Japan.

Again some years ago I wrote two novels that never got published. One sat in the States -- it nearly did get published. One in Europe that



was begun by a publisher who went broke in the depression and finally the publisher's readers would say "We do not know who you are". I suddenly remembered two things. One, I am a writer who learned something from Aristo, that drama depends on the familiar and not on the unfamiliar. I lived in an unknown country and the other is that a man can only write truly of that which he knows.

I could not write with authority about the United States or about England or any country like that. When I began writing about the various parts of Canada I found Canadians were listening. There was something in the subconscious here. What I am talking about is very very deep. It is the writer's business and the artist's business to try to search out what they are.

I don't know if I have come close to answering your question.

COMMISSIONER JOHNSTON: I am not as pessimistic as some of the witnesses have been about the future of Canada without a Canadian publication of the periodical press. I think it was Bruce Hutchinson in Vancouver a week or so ago who said it would be calamitous if Canada had no periodical press.

Would it not be nearly as calamitous if Canada had only one magazine as a producer magazine?

MR. MacLENNAN: You mean only one magazine. I would be against only one magazine.





COMMISSIONER JOHNSTON: We would not be nearly as badly off.

MR. MacLENNAN: I would say not one magazine.

I do not like monopolies. I think the possibility I foresee here is that as the nation grows I would like to see variety. I don't think it possible to overestimate the value of a number of small magazines which can earn a living. They can both train writers and they owe nobody nothing. They can produce the original stuff.

What I spoke about my own case of the little Montrealer magazine -- I have published in book form a large number of essays and almost every one of them came out of that little magazine.

The influence of a magazine in the Old Country like the Spectator, which is a pretty large magazine, is immense. Take for example the Canadian Farm, whether you like its politics or not, it permits people to read material in mass form. I wouldn't want to see just one magazine in Canada.

COMMISSIONER JOHNSTON: I understand that there are in this room several members of companies in the periodical press publishing business. I wonder if you could tell them how they could be bolder and more imaginative than they are.

MR. MacLENNAN: You mean right here?

Well, I once years ago in Toronto, speaking at the Canadian Club, made the suggestion that the



boldest thing that Canadian magazines could do then would be to pay its writers more than it then were doing.

There was a publisher that on that occasion took me up on it and he did.

I think they could be far more trusting of the public capacity to take something "off-beat" than they now are.

I think very highly of -- Lord knows I would not want to be an editor, much less a man with a big investment in it -- but the variety of stuff that is possible --.

I work with students at McGill and I can assure you that it is amazing the originality and the freshness of approach you will get from young people and I would like to see some of these people getting much more chance than they are now getting.

I can understand that there are business reasons why some magazines are heavily written by staff but I would like to see more variety in the style.

I would like to see far more variety right in the art work. This country is loaded with artists.

On the other hand it is fair to say that I know of some of our present magazines who would risk a lot of things at a loss. I know they have again and again. Whether they would take the gamble in the hope that he would get this mass market I do





not know.

Arthur Irwin, with Maclean's, said it almost always paid off.

Remember, Macleans ran some articles by Dr. Berrill, the scientist. He was a very good writer and he had a superb subject.

The ordinary magazine editor would say "This is above the heads of the people". I think it is possible to write in any formula if the writer knows his people and writes on an extremely good subject. If it is well enough done and well enough timed I think he would have most of the readers.



COMMISSIONER JOHNSTON: Do you think that our anti-Americanism is any more serious now than it was twenty years ago?

MR. MacLENNAN: How many years ago?

COMMISSIONER JOHNSTON: Twenty, thirty, forty years ago?

MR. MacLENNAN: I do not think there was anything like this twenty years ago. Forty years ago I was fourteen and was not a Canadian -- I was living in Nova Scotia! I do not think it is hostility; I think it is fear; but everyone knows that the Americans are lovely people.

THE CHAIRMAN: What about 1914?

MR. MacLENNAN: I was then only a child but I think it was pretty bad then.

THE CHAIRMAN: I think so. I do not agree with this contention. I have lived through fifty years of politics and I do not agree that there is more anti-Americanism today than there was fifty years ago.

MR. MacLENNAN: I think you are probably right but the Americans seem to feel this; they seem to feel this now. I do not know what it is. I think our communications are not as good as they used to be.

THE CHAIRMAN: I was enchanted with this submission of yours; it has all the fervour of,



and certainly much more eloquence than, the editorials I used to write against the late Mackenzie King. I wonder if you are not a bit too sombre really. Take for example this statement you make here right at the outset where you use the word "forever". Forever seems to be a long time, but let us just read this:

"And the Canadian nation as an entity which means more than a place where people live and work would quietly, almost imperceptibly, fade from sight.

Why has this not happened in Belgium, which for a long time has been swamped by the very able publications of France and Germany? I always go back to Ireland: for three hundred years they had no periodical press, they had no newspapers, they had no equivalent of the CBC; they were swamped by English propaganda. And, as I said in Vancouver, it ended up with the Gaelic League and an Irish Republic.

MR. MacLENNAN: But they had a fighting church.

THE CHAIRMAN: Yes, but the fighting church did not always fight for the national spirit, very often they fought against it. You will remember the case of Mr. Parnell, so you cannot put that over on us. However, let us get away from Ireland because I must say my judgement on Ireland is a bit blurred.





Why has it not happened in Belgium where almost a comparable situation exists?

MR. MacLENNAN: Considering the tremendous talent of the Belgium people in history -- and the low country people generally -- I think it has happened too much. I am prepared always to warn everybody to make allowances for the fact of certain things I say. I am three-quarters Scottish -- we do not feel safe looking on the bright side of things!

COMMISSIONER JOHNSTON: Mr. MacLennan, you must have read something about Goldwyn Smith.

MR. MacLENNAN: Yes.

COMMISSIONER JOHNSTON: He had a publication, I believe, "Annexation". Do you think any **such** movement today would get anywhere in Canada?

MR. MacLENNAN: No.

COMMISSIONER JOHNSTON: So there has been quite a change?

MR. MacLENNAN: There has been quite a change but I do think this old fashioned vague safety anchor onto which a lot of people in this country think they can hang when things get desperate, this anchor of joining the States, has nothing in it for the very simple reason that the Americans do not want us and would not take us. Nobody would get anywhere with that. Therefore I think we should try to strengthen in every way our means of self expression.

I think you are right -- no, we would not



be extinguished, but surely we have a better future than just existing.

THE CHAIRMAN: What is it exactly that you fear from the United States? You use some vivid phrases and you quote Mr. Henry Luce who spoke of the American way of life, and you say you fear this. I think Mr. Henry Luce possibly was speaking of the North American way of life. Is there not a North American way of Life?

MR. MacLENNAN: Yes, there is.

THE CHAIRMAN: Would we Canadians not have done some of the things which we attribute now to the American influence, would we not have the sort of press we have -- which is not too different from the American press? In what respects do our existing magazines differ from the best American magazines?

MR. MacLENNAN: I can answer that only in this way. It is a matter of their content. I want to make my feelings perfectly clear. Many many of the influences of the United States in my opinion are absolutely excellent, they are absolutely magnificent; there is no hostility at all. I would like us to contribute a bit in our own way to the North American way of life.

The United States is a vast country. I have dealt with so many editors and find they are up against the problem of reaching a great public with different regional interests, different everything,



and trying constantly, as it were, to over-simplify. I think the more individualism we can have the better. I am not saying keep American influences out of here; I welcome them. I say, however, let us have some outlets of our own to express ourselves in our own way.

I can give you an example here. I am not going to cite the magazine, but I was asked by a very large American magazine recently to write a major article on this country. I have spent many years studying Canada. They knew nothing really about it. After spending two months on this I received a letter from them saying -- this is not sour grapes; I am rather embarrassed to say it in a way -- that they regretted they could not publish this because it was not done in their way, which was a stereotype. I tried their way and it would not work. I am experienced enough to know. I spent three weeks and it would not work. That stereotype just did not fit.

To repeat again on the magazines, when Mr. Irwin was editor of Maclean's I said, "What is the difference in this magazine and the way it has turned out from the Saturday Evening Post? The headlines are the same sort of thing, it looks as though you have studied every bit of it." He said this: "I think of it like the railway system. We have here the same type of pullman cars, the same day coaches, but there are Canadians travelling in them."





I think the Canadian styles could be a little more varied than that, but that was his answer anyway.

THE CHAIRMAN: If a young Canadian writer of good promise at this moment wanted to sell his material in Canada, just where would he sell it as fiction?

Mr. MacLENNAN: It would be pretty hard, that is why I would like to see more magazines come up. The Little Montrealer, if it could get going, would take young people's fiction, and it has taken some. I would like to see more magazines come up to give them a chance. It would be very tough to get it into Maclean's.

COMMISSIONER JOHNSTON: It would be very tough to get it into Maclean's?

MR. MacLENNAN: It would be hard to get into Chatelaine or Maclean's. Chatelaine would be easier but Maclean's is more or less non-fiction.

THE CHAIRMAN: You mention that Canadian writing has more or less reached maturity. I would go along and say that is true with respect to your writing certainly, but when I was a boy in this country we had writers like Wilfred Campbell, Bliss Carman, Duncan Campbell Scott, Archibald Lampman, Stephen Leacock, Sam Slick, Charles G.D. Roberts. Have we comparable people in Canada today?

MR. MacLENNAN: I think somebody other than I should be asked that question. We have different



ones. These writers that you mention, I agree with you wholeheartedly, are superb. G.D. Roberts is the most under rated writer today in Canada; he was wonderful. He did a job here in this country very similar to what the Group of Seven did in painting. Carman and Lampman were international; Leacock is great; I know that. But if you will recollect this, Archibald Lampman and Carman were almost entirely poetry of nature. Roberts himself before he died told me he was never able to create a human character, the land was so large it had to be grasped. I think you will find today that there is a far greater depth in the security, psychology of Canadian writing. I believe that is self-evident. You can leave me completely out of this -- there are more and more of them. I am quite amazed at how subtle and, in a way, mature some of the students are in their thinking today, they are initially more mature.

THE CHAIRMAN: Why do you have an American publisher?

MR. MacLENNAN: I have an American publisher for the simple reason that writing is to me an international activity; I have an English publisher, I have a German publisher.

THE CHAIRMAN: Is there not a different reason for Canadian authors having an American publisher -- copyright reason? Is it not right that if you sold more than 1500 books to a Canadian



publisher you would lose copyrights?

MR. MacLENNAN: I believe that is right. My "Barometer Rising" was published in New York and jobbed in Canada. It did nothing much in the United States.

COMMISSIONER JOHNSTON: Will you explain the word "jobbed"?

MR. MacLENNAN: It was published in New York City. The publishers had an outlet for selling in Canada, an English publishing house, Collins, with an outlet in Toronto and distribution services. With regard to the cost of distribution the pie was cut up with the result that the royalty that one obtained from Canadian sales was far smaller. Thus, for a \$2.50 book the first 5,000 on that contract would bring me 25 cents a copy. From the books sold in Canada through New York I was getting  $4\frac{1}{2}$  or 5. That book sold far better in Canada than in the States because of the Canadian interest. It sold in cloth about 10,000 and in paperback about 50,000 and the publishers said that they sold about 100,000. I totalled up my whole sale; I got about \$525.00.

My second book had an American Book-of-the-Month Club distribution in Canada but it was jobbed again -- that is a smaller percentage -- and there was a special deal split with the publishers. That must have sold 50,000 copies, which was huge.





I do not think from that sale I could have got much more than \$4,500.00. It was then difficult to get a separate book contract. They did not want to yield it.

Finally the Canadian Authors' Association had a brief on that subject. We finally got everybody to agree to do it. Therefore I encourage all writers in Canada and the United States to publish separately, they are two separate things. This may have a certain amount of interest as regards what I said of the Canadian market: my last novel was a fortunate one and in the United States it was as I recall for about nineteen weeks on the Times Best Seller list, it went up to eighth once. That amounted to a total sale of about 26,000 copies. That was an English language book. How many French read it here I do not know; some did undoubtedly because, as you all know, the French Canadians are marvelously bilingual. The Canadian sale was 23,000.

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I believe that this is a significant point to the Canadian public: According to the American Library Association gallup polls, and I am only quoting from memory, far more people read books in Canada, percentagewise, than in the United States.

THE CHAIRMAN: I have read some of your charming reports in Holiday Magazine and also some of your reports in Macleans, with which I disagreed violently. Will you tell me this, and you mentioned a moment ago you would like to see Canadian publications pay their writers more. Was there a great difference between what you got for your articles in Holiday and what you got in Macleans? I don't want the exact figures.

MR. MacLENNAN: On a pro rata basis Maclean pays very well now. Pro rata I do as well as anybody could expect. They used not to years ago, but at the present time they do.

Those Holiday magazine articles require a great deal of research, they are much more difficult to do because you have to project -- you cannot rely on familiarity -- you have to project a relatively unknown country to a very sophisticated audience. It is a marvellous magazine.

THE CHAIRMAN: Holiday would pay top prices?

MR. MacLENNAN: Holiday would pay better,

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yes, they would pay better. There is no doubt on that.

THE CHAIRMAN: Thank you very much, Mr. MacLennan. Mr. Beaubien wants to ask you a few questions. All I have to say is I am glad you confessed to the brooding celtic melancholy.

COMMISSIONER BEAUBIEN: What would you say about the moving picture industry as a medium of communication and propaganda as compared to the published word, and what would you say on the moving picture industry as it exists right now? Should it also be encouraged to take the burden to maintain our culture?

MR. MacLENNAN: I think motion pictures well handled are probably the greatest mass media there is. Televisions is great because it is in the home. The movies have had awful competition in the United States from television, but I do not think that the Canadian motion picture industry is quite dead, because leaving out the National Film Board there are two Canadian firms which are getting ready now to make two full length motion pictures for the general market based on Canada. That will be the first time, if they succeed, the first time it has ever succeeded.

THE CHAIRMAN: These are people like Crawley?

MR. MacLENNAN: Crawley is one. I don't know the name of the one in Toronto, but I





believe they are working on Colin Macdougall's 'Execution.' This is hearsay. Crawley is, I know, if they can make a go at it.

COMMISSIONER BEAUBIEN: About Canadian integrity geographically, or Canadian spirit, which way do you think the trend is going? I mean, is it on the peak or on the way down, being submerged?

MR. MacLENNAN: I think it is going up, most definitely.

I sometimes annoy people in Montreal by describing myself as a "New Canadian". I think once Quebec succeeded, and here Mr. O'Leary, I agree with you -- pnce Quebec succeeded I think there is no question that Canada is going to survive. When Quebec came through and finally became prosperous, more and more managing her own affairs, I think that was, perhaps, the underlying turning point. I want to cash in on it.

THE CHAIRMAN: Thank you, Professor MacLennan, for a most stimulating submission and for being even a more stimulating witness.

MR. MacLENNAN: Thank you, sir.

THE CHAIRMAN: I think we should have a short recess.

---Short recess.



SUBMISSION OF THE T. EATON CO. LIMITED AND OF  
SIMPSONS-SEARS LIMITED:

H. F. McMillan

J. R. O'Kell

R. M. Sedgewick

MR. SEDGEWICK: Since the Commission began public hearings, it has received many briefs, most of which seek to convince the Commission that there should be created for the benefit of this class of publication or that special privileges, discriminatory imposts and other forms of economic assistance. These privileges are sought in order to afford protection from American competition.

This brief is submitted on behalf of a class of Canadian periodical in respect of which no special favours whatsoever are sought. This brief is submitted to urge the removal of presently existing discriminatory treatment directed against this class of Canadian periodical.

The brief is submitted on behalf of two firms concerned with this class of periodical. Each of their separate and competitive publications appears five times annually with two large and three supplemental issues. Each of the large issues of each publication may contain from 500 to 800 pages. The supplemental issues of each publication may contain from 150 to 300 pages.

These two periodicals have an aggregate Canadian circulation in excess of three million copies per issue. Together these periodicals cost



many millions of dollars annually to produce, the largest part of which is represented by salaries and wages paid to lithographers, typesetters, copy-writers, circulation men and printers and other craftsmen connected with the graphic arts.

The advertising in either one of these periodicals reaches more Canadians than any one organ of any other advertising medium in the country.

The informative or editorial content of these two periodicals has in the past and continues in the present to amuse, entertain and educate half the nation.

The two periodicals concerned are the most important periodicals of all in the lives of the people who live in little places, and of the nation's home-tied housewives - the Eaton's and Simpson-Sears' mail order catalogues.

For those Members of the Commission who are not on the mailing list, this is an example of the larger catalogue appearing twice-yearly, and this is an example of the supplemental catalogue of Eaton's, appearing three times yearly. The catalogues of Simpson's are similar.

The submission to be made on their behalf concerns that universal 11 per cent of the price of almost everything - the Canadian sales tax.

The problem can be very briefly stated. These two important and beneficial periodicals suffer from tax discrimination in that sales tax





must be paid on the cost of their production while the many similar catalogues which cross the border through the mails addressed to thousands of Canadians by foreign competitors are exempt from sales tax.

These two important Canadian mail order houses pay more than \$1,000,000 annually for sales tax on their catalogues to the Receiver General of Canada. Foreign competitors advertising food, clothing, fancy goods, hardware, etc. produced by foreign labour abroad pay no sales tax at all on advertising material inserted into catalogues, magazines, and newspapers mailed into Canada from abroad.

The catalogue merchandising operation presents not only to the people living in the more densely populated areas of Canada but also to those living in the rural and the frontier areas, merchandise of a variety and at a price equivalent to that which is available to buyers patronizing the large retail stores of the big cities.

These facilities, offered through the medium of the catalogue, assist the development of Canada by supplying the essentials of life to people in the remote areas. In some areas the mail order house is the only medium of supply. They also bring to these people and to those who are tied to their urban or suburban homes whether by age, sickness, or family responsibilities a wide selection and variety of goods at a price competitive to that



offered by retail store operators.

We would like to draw the attention of the Commission specifically to the fact that catalogues shipped into Canada from any foreign country

"...when received in single copies by mail, individually addressed, and for which no charge to the addressee is made, may be delivered without the consumption or sales tax."

This exemption is found in Memorandum D50-83 issued by the Department of National Revenue, Customs and Excise Division, dated February 3, 1958.

It is discriminatory and unfair that competitors in other countries should be given this distinct advantage. Purchases by Canadians in the United States which are solicited through U.S. national magazines, newspapers and catalogues constitute large annual amounts. Canadian mail order houses should enjoy the same competitive opportunity to obtain these sales without the burden of discriminatory sales tax application.

The ruling of the Customs and Excise Department above quoted is a clear acceptance of the principle that advertising material distributed without charge to prospective customers should not be subject to sales tax. To date, however, this principle has been applied only in favour of such advertising material shipped into Canada from a foreign source. It is our submission that the



principle so recognized should be extended in its application to all catalogues of Canadian mail order houses.

The Commissioners will be aware of the type of foreign competition which comes into Canada free from sales tax. No doubt, you are all familiar with the Sunday edition of the New York Times. In addition to an appreciable poundage of general advertising this newspaper often contains a specially inserted section containing what is the equivalent of a small mail order catalogue.

I have with me today one that appeared in last Sunday's New York Times, some eighteen to twenty pages, consisting solely of advertising products offered for sale by Willoughby's, the store in New York, and on the back page is a normal mail order coupon: "I want to order the following", and then a list of articles -- a small mail order catalogue in the same sense as the mail order catalogues of Eaton's and Simpsons-Sears.

In the fancy goods and gourmet food field the tax-free competitors are legion. Specialized food catalogues such as that put out by the Mission Pak firm in California are sufficiently widely circulated in this country to contain special Canadian price lists, a copy of which I have before me, and in each catalogue that is sent in, a special Canadian price list is contained. I am sure that the Commissioners must receive this annually.



Somehow or other it comes to me; without solicitation. My name is on a mailing list of some kind. Vendors of cheese and fine meats use the same technique.

I have the material of Seltzer Bros., who invite me to enjoy bacons, Seltzer meats; poultry and sea food in my home, and they depict them in glorious packaging with price lists, and we order them.

Catalogues mailed into this country from foreign firms of exactly the same character as Eaton's and Simpsons-Sears are not uncommon either. Neiman-Marcus mail this Christmas supplement of the great Texas merchandising organization, complete with mail order forms, to show how it attempts to lure volume trade from Canada. This years supplement is "His and Her Airplanes. Have you a husband or a wife who is utterly impossible to buy for? Here is the one great they-will-never-believe-it Christmas gift you have searched the world to find", and the price for her aircraft is \$149,000. and for his, \$27,000. For hers, they even throw in a Russian white ermine to complete the picture.

THE CHAIRMAN: Do you fear that competition very much?

MR. SEDGEWICK: Well, the competition of the more serious nature is that of, for instance, Montgomery Ward, which is sent in to western Canada. Montgomery Ward advertises in western papers soliciting requests for catalogues. Marshall





Fields of Chicago sends, in their catalogues and, more recently, there have been catalogues coming in from Germany and other European countries, directed towards the New Canadian market.

One of these German catalogues, the name of which I won't attempt to pronounce, has special Canadian price lists and Canadian addresses for ordering of goods -- the same facilities offered, really, as is offered by Simpsons-Sears or by the T. Eaton Company and catalogues that come in from England or France. We have many examples from several European countries.



Mail order catalogues as such are not the only form of foreign advertising which enjoys a competitive sales tax advantage over Canadian mail order catalogues. Many national U.S. magazines contain great quantities of what is, in essence, mail order advertising. Readers of any such magazine can by the simple means of filling out and mailing a prepared coupon, obtain almost any article of the type offered for sale by Canadian mail order houses. The Commission will be quite familiar with the quantity of this type of advertising contained in such well-known publications as Esquire, House and Garden, Argosy and Better Homes and Gardens.

We have a few examples with us today. Esquire perhaps is noted for its mail order catalogue content; some fifty or sixty pages at the back of each issue of Esquire and some thirty or forty on the front of the issue of Esquire taken up with advertising; almost all of which has a mail order coupon as part of the ad in some way.

In addition to tax free foreign newspaper, magazine and mail order catalogue competition there is a domestic element to the discrimination. The catalogue is the only advertising medium which is effectively available to mail order houses. The main advertising medium of other Canadian retailers is the daily newspaper, advertising in which is exempt from sales tax. This exemption



from sales tax exists even though it takes the form of a special insert similar to a mail order catalogue and even if the specific advertisement contains a mail order coupon.

By way of example of the special type of insert I am directing your attention to the November 30th issue of the Globe and Mail. There was an eight page insert of Eddy Black advertising all his cameras, radios and other goods with a mail order coupon or rather a coupon which, by filling out, you can use for ordering purposes from Eddy Black in Toronto, all sales tax free; by reason of the fact it is contained, not as part of, but really inserted in a newspaper, which is exempt from sales tax. The very heading of this particular supplement is "advertising supplement".

The amount of sales tax on catalogues paid by Canadian mail order houses is not insignificant; indeed it is a substantial annual sum and it is easily collected. Neither the sum involved nor the ease of collection, however, can justify the continued imposition of a tax which is both discriminatory and unfair.

I would wish to make it perfectly clear, Mr. Chairman, that nothing I say should be taken as indicating a desire on our part to keep these publications out of Canada.

We do not have any such desire. We





welcome competition but we would like it to be on even terms with them as far as sales tax exemption is concerned.

It ought to be stated that other Canadian firms less concerned with the Canadian economy than the two great mail order houses might by this date have adopted a simple solution to their problems. This solution would involve the printing of catalogues outside Canada and their distribution to Canadians by single copies through the mail. Such catalogues would then come within the existing sales tax exemption.

The catalogues are presently distributed in the main through the mails in Canada. Such distribution would create no additional problems, if done from some foreign country.

The mail order houses presenting this brief would not consider any such alternative because of its drastic effect on employment in the Canadian printing industry and because of their confidence that such a discriminatory application of sales tax cannot long continue.

For the foregoing reasons we request that the Commission recommend the exemption from sales tax of mail order catalogues published in Canada.

Those representations are submitted on behalf of:

The T. Eaton Co. Limited and of Simpsons-



Sears Limited, but we have been authorized to state that Dupuis Freres Ltee., which has a large mail order circulation in Quebec and the Atlantic provinces, and Canadian Tire Corporation Limited, which has a large mail order circulation in Central Canada, join in this presentation.

COMMISSIONER JOHNSTON: Mr. Sedgewick, do you think that your brief belongs here?

MR. SEDGEWICK: I do, sir.

COMMISSIONER JOHNSTON: Presumably you would not have come.

MR. SEDGEWICK: This is a brief submitted on behalf of a periodical, a Canadian periodical, which is suffering by reason of unfair competition with American periodicals or indeed all foreign periodicals containing mail order advertising.

COMMISSIONER JOHNSTON: Well, have the catalogues any editorial material in them?

MR. SEDGEWICK: They have a great deal of narrative. They have, surprisingly enough, great educational value and we are told that in many parts of the Province of Quebec particularly the mail order catalogue is used for the teaching of children initially in the written French and the French translations of the catalogue have been described as a fine example by University Professors of the art of translation and of the classical written French.



COMMISSIONER JOHNSTON: Was the narrative concerning the goods advertised in the catalogue?

MR. SEDGEWICK: In every case the narrative concerned the goods advertised in the catalogue.

COMMISSIONER JOHNSTON: This change apparently only dates from 1958, according to your brief.

MR. SEDGEWICK: The particular ruling was issued in 1958, Mr. Commissioner, but the exemption existed prior to that time and was expressed in writing on that date. It existed previously, as a matter of fact.

COMMISSIONER JOHNSTON: There was no change in the practice.

MR. SEDGEWICK: No. I should say, Mr. Commissioner, that the editorial content of the mail order catalogue would not be read in preference to one of Professor MacLennan's works.

THE CHAIRMAN: Have you taken this case to the Department of National Revenue?

MR. SEDGEWICK: We have on several occasions, Mr. Chairman, to the Department of National Revenue, to the Assistant-Deputy Minister of Finance and to the Minister of Finance.

THE CHAIRMAN: What did they say?

MR. SEDGEWICK: My friends can correct me if I am wrong in this but my recollection is that they have never said anything except "we will consider



your representations".

THE CHAIRMAN: Why?

MR. SEDGEWICK: There are large numbers of tax dollars involved here; possibly the most easily collected tax dollars that one could imagine.

There would undoubtedly be a loss of revenue if the exemption was granted but no reason justifying the continued discrimination has ever been put to us.

COMMISSIONER JOHNSTON: Would it be feasible if they tax these foreign catalogues as they come in, which would increase their revenue?

MR. SEDGEWICK: Well, it would be theoretically possible but practically I think the problems of collection would not justify the imposition because the catalogues are imported by individuals all over the country and the sales tax content per individual catalogue would not, it seems to me, be sufficient to justify collecting from somebody in Yellowknife or some other place.

In our particular case, of course, there is one occasion when the total sales taxes become leviable.

COMMISSIONER JOHNSTON: You don't know whether these catalogues, which are distributed by, say, Marshall Field in western Canada, are printed on Canadian paper or not?

MR. SEDGEWICK: They are printed in the United States. I have never actually looked to





find out. I could not believe they would be printed in Canada.

COMMISSIONER JOHNSTON: On Canadian paper, I mean.

MR. SEDGEWICK: I don't know.

THE CHAIRMAN: These fliers that come to my side door, my back door and my front door from Simpsons and Eatons, are they subject to a sales tax?

MR. O'KELL: If separately delivered, separately from the newspaper. If delivered with the newspaper or magazine they are free. If they are separately delivered to your door they are subject to sales tax.

THE CHAIRMAN: Thank you very much, sir.

MR. SEDGEWICK: Thank you, Mr. Chairman.



MR. QUINN: Mr. Hall of the Chemical Institute.

MR. HALL: I am Mr. W.N. Hall, president of the Chemical Institute of Canada and the gentlemen on my left is Mr. T.H.G. Michael who is general manager of that organization.

SUBMISSION OF THE CHEMICAL INSTITUTE  
OF CANADA

APPEARANCES:

Mr. W.N. Hall, President

Mr. T.H.G. Michael, General Manager.

EXHIBIT NO. 11: Brief of the Chemical  
Institute of Canada.



MR. HALL: The Chemical Institute of Canada is the Canadian professional and scientific organization for chemists and chemical engineers. It has approximately 6,000 members in these fields. As part of the responsibilities devolving upon it from its charter, the Institute publishes two periodicals. These are "Chemistry in Canada" and "The Canadian Journal of Chemical Engineering."

Chemistry in Canada is a monthly, described as a news-technical journal. It features news of scientific, technical and professional interest to the chemists and chemical engineers of Canada. It also presents articles of general interest in these fields, and occasional articles describing the results of original Canadian research in fields for which no other medium of publication exists. It also carries official notices and information concerning The Chemical Institute of Canada. It is received by more than one thousand undergraduate and graduate students of chemistry and chemical engineering as well as by about six thousand persons active in these fields.

The publication is dependent upon its revenue from advertising for its existence. Competition comes from two sources -- within Canada, and the United States of America, the latter in the form of weekly, rather than monthly publications.





The main appeal of the foreign weekly publication is to those in the field of business who must keep in touch constantly with business and economic conditions outside Canada as well as in this country. Up to the present time the apparent potential audience in this group has not attracted foreign publishers to produce so-called "Canadian Editions". However, there are examples available of foreign advertisers who prefer to attempt to reach the Canadian market through advertising in U.S. publications which have a circulation in Canada.

We wish to emphasize that in our view, Canadian publications are essential to the maintenance of the Canadian way of life, using this phrase in its broadest sense. This country has made the decision that it wishes to encourage cultural and economic independence from other countries, insofar as this is possible. Since the technical and professional publications of a country play a large part in these matters, they should be actively encouraged in their endeavours to do this. This includes such periodicals as "Chemistry in Canada". which are devoted to the furtherance of a particular area of science and technology in Canada. The Chemical Institute of Canada feels strongly, and respectfully urges this Royal Commission to advocate, that a climate be maintained which will allow such publications to operate without fear of foreign



competition which in other frames of reference would be called "dumping".

In making this recommendation, the Chemical Institute of Canada does not wish to imply that every publication is worthy of support, merely because it is Canadian. It may be said that a poor Canadian publication contributes to a sense of Canadian inferiority, which is not to be encouraged. The climate which is set for Canadian publications should be one in which a high cultural, professional, and economic level is most likely to be maintained.

The existence of scientific societies such as The Chemical Institute of Canada is based on the desirability of a distinctive Canadian nation. The main activities providing cohesion for such a society are its publications. These are dependent on their revenue from advertising for their continued existence. In the case of The Chemical Institute of Canada, revenue from advertising in Chemistry in Canada -- this is from the publications-- amounts to \$110,000.00. The other main source of support is membership fees, amounting to about \$90,000.00. It is thus clear that a significant decrease in advertising revenue would seriously threaten the existence of the Institute. Such a decrease in revenue might readily occur if a foreign publication were to commence the distribution of a "Canadian Edition".



The Canadian Journal of Chemical Engineering, with a circulation of about three thousand, is devoted in the main to publishing the results of original work in the fields of chemical engineering and applied chemistry. The Chemical Institute of Canada respectfully submits that the results of published scientific research in any country should be freely available in all countries of the world, and that every effort should be made to encourage the availability of such information in Canada.

COMMISSIONER JOHNSTON: Mr. Hall, I have known you in other capacities but I did not recognize you as a publisher.

MR. HALL: I do not recognize myself in this field, frankly.

COMMISSIONER JOHNSTON: You mention the circulation of one of the publications but not of the other.

MR. HALL: The principal one, the Chemistry in Canada has a circulation of about 7,000.

COMMISSIONER JOHNSTON: The advertising revenue of Chemistry in Canada is a major contribution for the support of The Chemical Institute?

MR. HALL: Yes, over 50 per cent. There are only really two sources of revenue, one is membership fees (which is \$90,000.00) and the other is from advertising (\$110,000.00).



I might make the point that this is not because our fees are too small; we charge a membership fee of \$22.00 a year.

THE CHAIRMAN: Thank you very much, Sir.

We shall adjourn for lunch until 2:30.

---Luncheon adjournment.





---Upon resuming at 2:30 p.m.

THE CHAIRMAN: Is Visual Equipment Company here?

MR. RESIN: My name is Michael Resin.

SUBMISSION BY VISUAL EQUIPMENT COMPANY:

Appearances: Michael M. Resin

MR. RESIN: Mr. Chairman and Gentlemen:  
Established in 1954, my company has dealt exclusively in photographic publications as follows:

1. Publishing the magazine Photo Fun.
2. Publishing photographic catalogues.
3. Wholesale distribution of photographic books.

Photo Fun was originally a Canadian edition of an American magazine and was published and printed here in both English and French.

When the former Government's ruling with reference to Canadian editions was brought down in 1957, Photo Fun ceased to be a Canadian edition as such, and all editorial material since then has been completely of Canadian origin.

The issues we produced were equal to the American in editorial quality and appearance. Since we had to gather our own editorial, we negotiated an agreement with our American connection to turn over to us their circulation, and we shipped Photo Fun to the United States.

After three issues we were forced to



suspend the U.S. edition as the American Customs put a duty on our copies which completely wiped out any chance of making a profit. We argued that Photo Fun was accepted as a magazine by the Canadian Department of National Revenue, and that it also enjoyed Post Office second class mail privileges. To no avail. The ruling stood.

Such was our experience with the free flow of ideas from north to south.

We have always been very conscious of the necessity to serve the French population. Our French edition was a popular selling feature to our advertisers, but the extra cost of translations, typesetting and preparation of printing forms for this edition, has made it impossible to be a profitable operation.

I submit, sirs, that the actual and potential advertising revenues of my publication have been substantially reduced by Time and Reader's Digest. I agree with many other briefs presented to this Commission that since these editions carry little or no Canadian editorial that they represent unfair competition to Canadian publishers.

Canadian publications, in order to qualify for second class mail privileges and sales tax exemption must meet certain editorial specifications to keep these concessions. Is it unreasonable to expect foreign publications to meet the same conditions?



From 1954 to 1959 the volume of photographic business in Canada has increased an estimated 114 per cent. I am sorry to say that neither the revenues nor profits of Photo Fun in any way reflect this increase. As a matter of fact Photo Fun is supported by profits from the other ends of our business. In that same period photographic advertising in Time and Reader's Digest has increased considerably.

Since 4 out of 5 magazines on the newsstands are not of Canadian origin, it is reasonable to assume that almost the same percentage of this type of mail carried by our Post Office is of foreign origin. These contribute to the deficits of our Post Office, which we as taxpayers are expected to make up. Considered in the light of a reciprocal concession it is something with which we cannot quarrel. However, when "Canadian Editions" set up in Canada with little or no Canadian editorial, they certainly should not be given second class mail privileges.

Photo Fun is in itself a negligible factor in the Canadian publishing field, but as the enterprise of a small business man, it is extremely significant. I am convinced that our government is concerned with the problems of the small businessman. Indeed, I feel that an important test of the economic climate is the ability of the small man to exist and grow on it.





We have now brought out our first issue of Photo Age, to absorb and incorporate Photo Fun. Photo Age is the first Canadian photographic magazine to be offered for newsstand sale, and this brings up another aspect of American competition.

We had arranged for newsstand distribution and were advised to put a price of 25 cents on Photo Age. We agreed. After taking a long look at the mounting production costs of the new and larger magazine, we suggested to our distributors that our price be 35 cents. We were told flatly that at this price the deal was off. We were forced to revert to the 25 cent price.

I have no quarrel with the distributor who is faced with this serious consideration: Can he sell enough copies of Photo Age at 35 cents to warrant undertaking the distribution, if he is at the same time offering a thicker American magazine to sell at 40 cents.

Although the main source of revenue of a magazine is advertising, the slight difference in net revenue from the 25 cent to 35 cent price, even on a nominal distribution, can mean thousands of dollars to the small publisher annually. This can be the difference between profit and loss. It is therefore a bread and butter issue.

During these hearings in other cities and here yesterday some misgivings have been expressed about putting a duty on magazines as it would mean



interfering with the free exchange of ideas. From observation I cannot agree that the consequences would be dire, nor that this would not be a lesser evil than the threat of the complete extinction of a Canadian periodical press.

Where then can we look for some guidance?

It seems to me that the closest analogous import is books. Books are certainly as important as periodicals, and in some respects even more so, in teaching, and the dissemination of ideas.

Our government allows books to use the mails at the same special postage rates enjoyed by periodicals. However, a close look at our Customs Tariff reveals that books are dealt with in 12 tariff items, ranging from "duty free and sales tax exempt" for technical books, to "25 per cent duty and 11 per cent sales tax" for advertising.

Dictionaries, for example, are subject to 20 per cent duty and 11 per cent sales tax. I should also like to point out here that even technical books are subject to sales tax if they contain advertising other than that of the publisher.

There has been no Royal Commission appointed to investigate any dearth of books in this country. It has not been suggested, and none exists, despite the tariff treatment.

Why then should periodical publishers not be entitled to similar protection? I suggest a long look at the magazine field without prejudice



in this regard.

The following recommendations are offered for consideration by your Commission:

1. A Commissioner of Magazines and Periodicals be appointed by our government, whose main purpose would be to foster and encourage Canadian publications. This Commissioner would be a liaison between the publishers and the government -- and would also be responsible for carrying out any regulations resulting from the recommendations of this Commission to the government.
2. That our customs tariff create a classification distinction for magazines, other than Canadian editions. They should be either "of a class or kind published in Canada" or "of a class or kind not published in Canada". Such classification is common and recognized in practically all other commodities.
3. Magazines "of a class or kind published in Canada" should be dutiable when imported for newsstand sale. In this way Canadian magazines would have a better chance to be judged for editorial value, rather than by the comparative thickness of the imported competition.
4. All periodicals, in order to qualify for Canadian second class mail privileges and Canadian sales tax exemption, should be made up at least 75 per cent Canadian editorial material.
5. If a Canadian edition is printed in



the U.S.A. then certainly the advertising in it should be dutiable as such. The value for duty should be based on the advertising rate.

6. Canadian advertising in overflow circulation of American magazines which are "of a class or kind published in Canada" should also be dutiable as advertising. Value for duty should be based on the advertising rate.

In conclusion, gentlemen, let me say that I am not one who fears American ideas, nor would I be in favour of tariff protection if some other solution were suggested and practicable. I have great liking and respect for the Americans as a vigorous and aggressive people, and they are great competitors in every endeavour.

Of greater concern, however, is the serious dilemma in which the Canadian periodical press finds itself. If it is to be healthy and to flourish, then remedial action must be determined and taken as quickly as possible.





COMMISSIONER JOHNSTON: Mr. Resin, I am curious. Why did you change the name from Photo Fun to Photo Age? Was it more suitable?

MR. RESIN: Well, Photo Fun was distributed through dealers only, and we felt that the name "Photo Fun" was on a much lower intellectual level, you might say, than "Photo Age". This was distributed, free of charge, by the dealers, and we felt that since we are going to the newsstand, that we did not want the name "Photo Fun" to mislead anyone, or to be misconstrued. We even had people telling us that there was a lewd connotation to "Photo Fun", although, there was never anything like that in the magazine; but, we did change to the present "Photo Age".

COMMISSIONER JOHNSTON: What would be your circulation for Photo Fun?

MR. RESIN: Well, we have been up as high as 30,000.

COMMISSIONER JOHNSTON: Is that entirely through the dealers?

MR. RESIN: Through dealers, yes. Photo Age in this first issue which is just out, will be about 22,000.

COMMISSIONER JOHNSTON: What was the excuse given by the distributors for refusing to offer the publication at 35 cents? Was it too thin?



MR. RESIN: Their attitude was this, that if they had an American magazine that was thicker and it sold at 40 cents, that they could not be sure of selling enough copies of Photo Age at 35 cents to warrant their taking on the distribution. They do not mind getting it out. I mean, we will take back any copies that they do not sell; but, the point is that they do not want to be bothered unless there is a reasonably opportunity to sell a certain quantity.

THE CHAIRMAN: Who are these people? Who are these distributors who determine this?

MR. RESIN: Well, I do not know, in my case, if they happen to be some news distributors in Toronto.

THE CHAIRMAN: Who are the people with whom you dealt? Who are the people who said "We cannot sell this at 40 cents. You had better cut it down to 25 cents."?

MR. RESIN: The name of the people?

THE CHAIRMAN: Yes.

MR. RESIN: Sinnott News.

COMMISSIONER JOHNSTON: Sinnott News?

MR. RESIN: That is correct, sir.

COMMISSIONER JOHNSTON: They are people of long experience?

MR. RESIN: Yes, they are.

THE CHAIRMAN: What would happen to you



if your twenty-five cent price did not enable you to get out the magazine? Do not they take into account your costs?

MR. RESIN: They, apparently, are not interested in my costs, Mr. O'Leary. They are interested in whether they can sell the magazine or not and, very likely, if I were in their position, I would feel the same way about it. But, right now, my attitude is that I have got to come out at 25 cents. I have got to get that circulation. I have got to tell the advertiser...

THE CHAIRMAN: Do you carry advertising in it?

MR. RESIN: Yes, sir. Allow me to offer several copies.

THE CHAIRMAN: Do you get your revenue mainly from advertising?

MR. RESIN: Yes -- such as it is. There is not enough in there at the moment. We hope to get the advertising.

THE CHAIRMAN: Well, if you wanted to improve your magazine and it would cost you more money to improve it, do you still have to stay at this 25 cents?

MR. RESIN: I would say that it is a question of several factors. This is a question of whether I can sell enough subscriptions not to have to depend on newsstand sale, to satisfy





my advertisers. I have to go to my advertiser, Mr. Kodak, and say: "Now, here we can give you so much circulation in our magazine, at such and such a cost, as compared to Time, or other magazines", and if they find that it is good value, then they will buy it; if not, they won't.

THE CHAIRMAN: I am mainly interested in the great power of these distributors who can tell a publisher just how much he should charge for his magazine. This seems to be an extraordinary situation.

MR. RESIN: Well, being realistic about it, I realize myself that in order for my magazine to sell against American competition, I have to have an attractive magazine, and for that purpose, our masthead was completely redesigned, and we have to have good quality editorial. As this magazine stands now, the quality of the editorial is equal to anything by the Americans. As a matter of fact, my editor, Mr. John Lindor is an ARPS -- an Associate of the Royal Photographic Society. He has very, very high standards. His work has been accepted in some of the best technical magazines in the United States, and one of the understandings -- I can only afford him part-time, incidentally -- but, one of the understandings we have is that we are not going to talk down to anyone. Our editorial quality is there.



COMMISSIONER BEAUBIEN: Do you own Photo Age?

MR. RESIN: Yes, sir.

COMMISSIONER BEAUBIEN: You bought the rights from Photo Fun and Photo Fun at one time, you said, was an American publication?

MR. RESIN: Photo Fun, at one time, was an American publication, and I published originally in Canada by arrangement with them. I owned Visual Equipment Company and Photo Age is my own.

COMMISSIONER BEAUBIEN: Is Photo Fun still being published in the United States?

MR. RESIN: No, it is not. It has not been continued there. The people who published Photo Fun in the United States are the publishers of Modern Photography, which is one of the leading consumer magazines; Photo Dealer, which is one of the leading trade magazines; Photo Methods for Industry, which is one of the leading industrial photographic magazines, and this was, comparatively, a small operation to them. So that, after I stopped it, they did not continue with it.

COMMISSIONER BEAUBIEN: What duty was your magazine subject to in the United States?

MR. RESIN: Five per cent.

COMMISSIONER BEAUBIEN: Would that duty be applicable to all other Canadian magazines; do you know?



MR. RESIN: I would not say that. As a matter of fact, I do not know what the judgement was based on, or what the ruling was based on; all I know are the results of it and I have to pay it. I had to ship Photo Fun into the United States at the same prices as the Americans sold it, and pay any duty to get it there; so that I was stuck with the five per cent.

COMMISSIONER BEAUBIEN: Five per cent based on what?

MR. RESIN: On the selling price to the dealer in the United States.

COMMISSIONER BEAUBIEN: What kind of circulation do you get in the United States?

MR. RESIN: It was over a hundred thousand, I believe, if I remember correctly.

THE CHAIRMAN: You had a hundred thousand circulation in the United States?

MR. RESIN: Yes, sir.

THE CHAIRMAN: And now you are not operating there at all?

MR. RESIN: No, sir.

THE CHAIRMAN: Due to this tax?

MR. RESIN: That was the contributing factor, sir, or was the most important factor.

THE CHAIRMAN: Had this circulation existed there when you bought this magazine?

MR. RESIN: Yes. They had had more.



THE CHAIRMAN: This was American circulation for an American periodical then?

MR. RESIN: Yes. It was distributed in the United States in the same way as when I started here. It was distributed through the photographic dealers in the United States when I took it over and published it here in English and in French, and then, when the ruling came down about Canadian editions, I could not fight **the way** some of the bigger people could; so, I just decided that I was going to get my editorial material right here, and I did.

Those people in the United States always felt that I had turned out a very nice book, so that when I approached them and said "Look, I have to get this thing in Canada now; let me ship it to the United States", and they said, "Alright; we will work out an arrangement on that basis." So, we did, but it just did not work out.

COMMISSIONER BEAUBIEN: Your magazine was sold on newsstands?

MR. RESIN: Not Photo Fun, sir.

COMMISSIONER BEAUBIN: Photo Fun in the United States?

MR. RESIN: No, sir. Through photographic dealers, as well, Photo Age is being sold on Canadian newsstands -- being offered by the Canadian newsstands.

COMMISSIONER BEAUBIEN: When you had that duty of five per cent put on your magazine, that





magazine was not being sold in the United States; it was just being distributed in the United States?

MR. RESIN: That is correct.

COMMISSIONER BEAUBIEN: Was it distributed free of charge?

MR. RESIN: That is correct.

COMMISSIONER BEAUBIEN: As an advertisement?

MR. RESIN: Well, as a dealer house organ.

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THE CHAIRMAN: I see. Now what is your competition at the present time?

MR. RESIN: In Canada?

THE CHAIRMAN: In Canada.

MR. RESIN: There is another photographic consumer magazine.

THE CHAIRMAN: In Canada?

MR. RESIN: Yes.

THE CHAIRMAN: What is your competition from the United States?

MR. RESIN: From the United States? More and more of the photographic distributors, importers and manufacturers have gone into Time and Reader's Digest.

THE CHAIRMAN: You mean the advertisers?

MR. RESIN: Yes.

COMMISSIONER JOHNSTON: When your magazine was going into the States it was not classified as a magazine, it was a circuler to be distributed from photographic stores?

MR. RESIN: That is what they contended and at that time we had it accepted as a magazine by our government and there was a ruling on it. We showed them that ruling. We were adhering to all other specifications in preparing it as a magazine so far as editorial ---

THE CHAIRMAN: Were you selling it in Canada?

MR. RESIN: We were selling it to



photographic dealers as well.

THE CHAIRMAN: But in the United States you were merely distributing it free?

MR. RESIN: No, I am sorry if I have misled you. We were selling it to photographic dealers in the United States as well, the same as to photographic dealers in Canada.

THE CHAIRMAN: Was distribution the same in the two countries?

MR. RESIN: That is right.

THE CHAIRMAN: And in one they classified it as a publication and in the other they did not?

MR. RESIN: That is right.

COMMISSIONER JOHNSTON: What was the Canadian classification?

MR. RESIN: Magazine. The Post Office had nothing to do with it. We submitted it to the Department of National Revenue and we maintained the proper balance between editorial and advertising. I believe at one time it was a minimum of 40 per cent of advertising. We never went over that 60 per cent.

THE CHAIRMAN: Why did you submit it to the Department of National Revenue in Canada? You were not importing it. Why did you go to them at all?

MR. RESIN: For sales tax exemption.

THE CHAIRMAN: Thank you very much for





your submission.

We have run out of participants -- or perhaps you may call them victims -- so we will adjourn until tomorrow morning at 10:30 a.m.

---Whereupon the hearing adjourned at 3:00 p.m.



ROYAL COMMISSION ON

# Publications

HEARINGS

HELD AT

MONTREAL

VOLUME No.:

DATE:

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ROYAL COMMISSION ON PUBLICATIONS

Proceedings of hearings held at  
the ICAO Building, Montreal, Quebec,  
on Monday, December 7th, 1960, et seq.  
at 10:30 a.m.

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COMMISSIONERS:

|                    |                           |
|--------------------|---------------------------|
| M. GRATTAN O'LEARY | Chairman                  |
| J.G. JOHNSTON      | Member                    |
| C.P. BEAUBIEN      | Member                    |
| MICHAEL PITFIELD   | Secretary                 |
| G. QUINN           | Administrative<br>Officer |

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## I N D E X

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--- On resuming at 10:30 a.m., December 7th, 1960.

COMMISSIONER JOHNSTON: Mr. Chairman, I would like to make a slight correction from Monday's transcript. At page 61 Mr. Fowler and I were having a bit of a discussion about a duty or the lack of a duty on magazine paper. The impression that is made is that there was a duty on paper and Mr. Fowler pointed out that there had not been a duty for ten years even though the Saskatchewan Government seemed to have the impression there was a duty. Thank you.

THE CHAIRMAN: Mr. Davis, would you identify yourself, please.

MR. DAVIS: Gentlemen, my name is F.E. Davis. I am the Vice President and Circulation Director of Newsweek Magazine.



SUBMISSION OF NEWSWEEK MAGAZINE

APPEARANCES:

Mr. F.E. Davis, Vice President

Mr. H.C. Thompson, Director of  
International Editions.

EXHIBIT NO. M-14: Brief presented  
by Newsweek Incorporated.

On behalf of Newsweek, may I thank you for this opportunity to appear before you and present our views.

Newsweek, as my colleague, Mr. Thompson, will tell you, is truly a worldwide publishing enterprise. I will confine my remarks to the business, or advertising and circulation, aspects of the American edition of Newsweek here in Canada.

The latest available Audit Bureau of Circulations figures, covering the first six months of this year, show Newsweek's circulation in Canada to be 53,319 or 3.8 per cent of our total circulation of 1,393,211. Interestingly, this percentage has remained virtually unchanged over the past ten years, for in 1950 our Canadian circulation amounted to 31,869 or 3.9 per cent of our then total circulation of 815,359. This is no coincidence. We have intentionally maintained this ratio, promoting the growth of our circulation in Canada along with that in the United States. We do not regard our Canadian circulation as "overflow", but, rather, as an



integral part of our total. It is no more or less profitable to us than any geographic segment of our circulation in the United States. It is promoted in the identical manner as our United States circulation, at the same prices, and actually costs us more to ship than our average United States copy. We value our Canadian readership highly, and, further, we are anxious to have Newsweek available in Canada as a service to our American readers, primarily businessmen, in the course of their travels in Canada.

We sincerely believe that Newsweek's small Canadian circulation is not in anyway competitive or harmful to any Canadian publication. To the best of my knowledge, there is no Canadian news magazine in existence, nor, in our opinion, would it be economically feasible for one to exist, even if there were no foreign news magazine circulation in Canada. I will touch on editorial matters only to say that I'm sure no one in Canada buys Newsweek for its coverage of Canadian news, any more than a doctor would buy it for its medical news, but, rather, for news of the world.

Actually, Newsweek's Canadian circulation makes a small contribution to the Canadian economy -- approximately \$75,000.00 annually to newsstand wholesalers and retailers through our newsstand sales.

Similarly we do not feel that from the





advertising aspect we are competitive with your Canadian publications. This year we have carried four Canadian accounts in Newsweek. Two of them, the Province of Quebec and the Canadian Travel Bureau, I'm sure you'll agree are not interested in our Canadian circulation. The other two, Canadian Club Whiskey and Aluminum, Ltd., I'm also sure purchased space from Newsweek for the United States, not the Canadian portion of our circulation. Thus no Canadian publication has in anyway been deprived of any income by Newsweek. In fact, we would like to believe the efficiency of Newsweek as an advertising medium has contributed to the Canadian economy. I also doubt very much that the existence of our 3.8 per cent Canadian circulation has deterred our American advertisers from their regular Canadian advertising campaigns.

Further on this point, I can unequivocally say to you that Newsweek is not contemplating starting a Canadian edition, or making available to advertisers our Canadian circulation as a regional edition.

We are sympathetic to the problems of the Canadian publishing industry, for in the United States, too, with notable exceptions, publishing is a highly competitive and low profit industry, and certainly the climate for starting new magazines in the United States today is not favourable.



The position of Canadian magazines vis-a-vis American magazines is indeed unique. Still we cannot help but wonder whether circulation or advertising deterrents against United States publications would provide the answers that you are seeking. Can you be sure that advertising dollars diverted by whatever means from American magazines would be spent in Canadian magazines -- that they would not go to competing media -- radio, television, newspapers, or supplements? Can you be sure either that denied access to the American magazines the Canadian people would increase their readership of Canadian magazines? The experience of the foreign publication advertising tax would seem to indicate that this is not the course to follow.

Again we are grateful for this opportunity to appear before you, and hope that what we have had to say has been of some value to you.



(Davis)  
(Thompson)

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THE CHAIRMAN: Thank you sir, very much.  
Might we hear from you, Mr. Thompson.

MR. THOMPSON: I'm Harry Thompson, Executive Director of Newsweek International, and Chairman of the American Magazine Publishers Association's International Committee.

In both capacities, I appreciate the opportunity to appear before this Commission to assist you in your study of a very real problem and to help state the position of Newsweek and other international magazines. Mr. Davis has covered a number of direct relationships between Newsweek and Canada, and I would like to broaden the perspective on Newsweek into an international one so that you may have a better idea of what we are striving to be and how we are attempting it.

Newsweek considers itself not strictly an American publication but rather an international one. We feel that the news and the interpretation of it by our Editors has meaning and value to well-informed people wherever they might live.

For that reason, we have broken our operations down into three separate sectors. These are our American Edition which goes to countries in North and South America; our European Edition distributed to the United Kingdom, Western Europe, the Mid-East and Africa, and our Pacific Edition that covers the crescent of states from Japan around to India. All in all, Newsweek is circulated in 166 lands.



Perhaps, circulated is the wrong word. Newsweek is bought, voluntarily, in these 166 lands because people rely on Newsweek for a portrayal of the week's news.

These three editions are distributed from five printing points -- London, Dunnellen, N.J., Dayton, Ohio, Los Angeles and Tokyo. These points were chosen because they give us the best printing facilities and transportation availabilities to all parts of the world. Our home base is in New York, but our magazine appears virtually simultaneously in such wide-scattered areas as Manila, Montreal, Madrid, Mobile and Montevideo.

In practice as in scope, we regard ourselves as truly an international organization, and try to live up to our slogan, "A well-informed public is the world's greatest security."

With that background, I would like to address myself to the questions: Is the international aspect of magazines -- such as ours -- unique and does that uniqueness have any bearing on the problem before you: The problem being the economic and cultural prospects of Canadian magazines?

Our answer to these questions is that magazines are unique because, first off, they are the only mass medium out of many that can transmit news, culture and ideas regularly and periodically from one country to another. Newspapers cannot and do not do it, radio and television cannot and do not do it, motion pictures are a sometimes thing.





Whether or not you like the culture and ideas transmitted is another question, but the only way that this can be decided -- under the systems by which both of our countries operate -- is by the buyers of the magazine themselves. Fiat can't solve it, and discriminatory action against magazines coming from without Canada would seem to say, "Canadian magazines can supply us with all the culture and ideas we need."

This information exchange, however, is a two-way street. For example, in 1959, Newsweek carried 60 columns on Canadian affairs to 165 other countries. Compare this coverage by Newsweek of Canadian matters to that of our coverage of The United Kingdom for instance for the year 1959, this came to 57-1/4 columns. Perhaps, this doesn't bear directly on the problems and prospects of Canadian publishers but it does have a positive relation to Canada as a whole which undoubtedly is within the ken of this Commission.

A second consideration on the uniqueness of magazines internationally is as vital instruments in the cold war for competing with political ideologies from the Soviet Bloc. The underdeveloped nations of the world are racing to catch up with the twentieth century. It is a race for survival. In order to win, these nations need vast amounts of information. The doctor in Burma, the engineer in Pakistan, the government servant in Indonesia -- they and thousands



of others just look abroad for intellectual fuel. Where they find it is of capital importance to the free world.

Says U.S. Supreme Court Justice William Douglas: "We must help men of all tongues find the secret of freedom ... it is the greatest task in communication that publishers and editors have ever faced. It means that the printing press must be exploited in a way we never dreamed."

With the emphasis nearly everywhere on English as a second language, magazines internationally can go far to fill these countries' needs for information. Newsweek's Ernest Lindley said this -- "In nearly all of Free Asia, English is the second language, where it is not the first. It was the official language of the first Bandung Conference. It is the only language in which most Asian countries can communicate with each other. In many, the study of English is now compulsory beginning in junior high school."

Against the Western international magazine you have the Russians and others. Soviet publishing, for instance, is state-subsidized operation and exported books and magazines are sold far below cost for nominal sums paid in the foreign readers' local currencies. The result is that Soviet competition in the export of publications, many of which are in the English language, cannot be matched with the normal operation of international private



enterprise publishing.

If the decision of this Commission mitigates against the internationalism of magazines, it could have a profound effect on some less enlightened countries, and we all stand to lose. As far as problems and prospects for Canadian publishers on this score, we would welcome all of them in this fight.

Another facet to the international nature of magazines is in the furtherance of international trade. In a country as trade-conscious as Canada, this is an important question. My feeling is that if you didn't have international magazines, some one would have to invent them. Otherwise, you might have no place for such Canadian concerns as Trans-Canada Airlines, Canadian Pacific, Aluminium, Polymer, to name a few, to advertise their goods and services. The before-mentioned companies all use international magazines for trade promotion beyond North America.

Is there a place here for Canadian magazines? Definitely, and all the international publishers I know would welcome more international magazines to focus further attention on this medium. The British are quite cognizant of the situation and recently Sir David Eccles, British Minister of Education, had this to say: "If Britain is to export more, she must advertise her goods better in foreign markets... But, where are the British



international magazines for the general reader? Although we have some first-class magazines going around the world, and I can think of one in particular, none fills the bill as an international magazine of the kind I have in mind.

"There are very powerful groups among Britains newspaper and magazine producers. What a good thing it would be if one of them entered the international field and provided us with a British vehicle for carrying our advertising into the overseas markets. Over and over again representatives of foreign countries, and I need not stress the Commonwealth aspect, see me and ask for British teachers and British text books -- are we really to believe that they would not also welcome a British international magazine. Of course, they would, and now is the time to provide one."

America has no particular patent on international American magazine publishing and these magazines are not supported primarily by American concerns. 67 per cent of the advertising for our European Edition comes from non-American concerns and 59 per cent of the Pacific Edition advertising from non-American concerns. Anyone who says that we can publish these magazines because they're just a by-product of our American edition is very much mistaken. The development of American international magazines has taken a tremendous amount of thought, patience, capital investment and hard work. I am







sure that the Canadian magazine industry would not admit that they do not have these virtues, too.

Finally, are international magazines unique as a purchaser of goods and services from all parts of the world? Mr. Davis has mentioned revenue we contribute to Canadian wholesalers and retailers. Our international operations similarly have contributed to the economies of Britain, Japan and Canada, to name a few. In the past three years, we purchased \$150,000 in paper from Canada. I cannot make any firm commitment or promises on purchases of paper because our needs are dictated by a number of factors such as price, quality and delivery that vary from time to time. The point is we do contribute directly to the economies of the countries in which we operate, and indirectly in a sense that we are furthering international trade promotion.

If the Commission singles out American international magazines for some special and discriminatory type of treatment, we cannot help but feel that this will have an unfavourable effect on the international press, on Canada and on the West.

Thank you for your attention, and I hope that this point of view has contributed something to your deliberations.

THE CHAIRMAN: Thank you, sir.

COMMISSIONER JOHNSTON: Mr. Thompson, I am a subscriber to your paper. At least I know something about it from a readers point of view.



Starting at the bottom of your brief you say in three years you purchased \$150,000 worth of paper from Canada. As a shareholder in the paper company, couldn't you increase that by quite a bit? There is the drawback of the customs duty on Canadian magazine stock going into the United States.

MR. THOMPSON: This stock has not gone to the United States. It went to Amsterdam. I think now some is going to London, where we are publishing.

COMMISSIONER JOHNSTON: Pulp and paper, particularly paper, are very important exports in this country. Now, I certainly go along with you on the matter of promotion of international magazines, the international aspect of magazines, but do you know that any attempt by a Canadian magazine to enter the United States market is subject to a customs duty?

MR. THOMPSON: This I don't know.

COMMISSIONER JOHNSTON: That came out yesterday, and I think the day before; so, it would be extremely difficult for Canadian magazines to compete on equal terms with the U.S. magazines or the international market through the U.S. market. On the contrary it is obvious, or we would not be sitting here, that it is becoming increasingly difficult for Canadian magazines to compete against U.S. magazines in Canada. You have no intention of trying to start a so-called Canadian edition or seeking to sell



advertising space?

MR. THOMPSON: No sir, not at the present time.

MR. DAVIS: No, sir.

COMMISSIONER JOHNSTON: You say that the publishing industry is a low profit industry. Can you give us any figures as to the actual profit, average profit?

MR. DAVIS: Yes, sir. I would say that the average profit for the American magazine industry, drawn from statistics of the Magazine Publishing Association, which represents the majority of magazines, is in the neighbourhood of two per cent of sales.

COMMISSIONER JOHNSTON: Two per cent of sales?

MR. THOMPSON: Two per cent overall.

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COMMISSIONER JOHNSTON: There would be no figure regarding the percentage on capital?

MR. DAVIS: No, sir.

COMMISSIONER JOHNSTON: It is difficult to work that out?

MR. DAVIS: Extremely difficult. You take, in our case, sir, our percentage of profit on capital invested would be simply fantastic, because we have no printing presses. What we really have is office fixtures; that is about it, as capital investment or assets.

COMMISSIONER JOHNSTON: Thank you very much.

THE CHAIRMAN: What is your two per cent figure based on? You say "I would say two per cent".

MR. DAVIS: Profit on sales.

THE CHAIRMAN: I understand that. But, are there actual official statistics there?

MR. DAVIS: Yes, sir. They are published by the Magazine Publishers' Association in New York.

MR. THOMPSON: On the 35 or 36 leading magazines, probably the last study would be around 1959, or so; but, they did compile the figures and they are in the two per cent range. I remember back in 1956, it was 2.8, and it has been dropping since then on the leading magazines.

THE CHAIRMAN: We had some figures given to us, showing that McGraw-Hill had a profit of 8 per cent. Why would that be -- just because of their





textbook publications?

MR. THOMPSON: I would say that would be certainly a tremendous contributing factor there. The McGraw-Hill figures do not represent purely magazine publication, by any stretch of the imagination. But, those figures are available from the Magazine Publishers' Association and they are put out as an annual report for the membership.

COMMISSIONER BEAUBIEN: Mr. Davis, where is your magazine printed?

MR. DAVIS: The American edition of Newsweek is printed in three states; in Dunnellen, New Jersey, in Dayton, Ohio, and in Los Angeles, California.

COMMISSIONER BEAUBIEN: Where is it mailed?

MR. DAVIS: It is mailed from all three places. We have three major points of entry and we now have a fourth minor point of entry in the Northwest. We are now having to truck to the Northwest, instead of using trains.

COMMISSIONER BEAUBIEN: You said the Canadian circulation was 3.8 per cent of your total?

MR. DAVIS: Yes.

COMMISSIONER BEAUBIEN: And that seems to have remained constant?

MR. DAVIS: Yes.

COMMISSIONER BEAUBIEN: Is that done intentionally?

MR. DAVIS: I would say yes, to keep it



in balance. It is not a careful, scientifically-controlled thing; but, the amount of effort against building the Canadian circulation has remained just about in the same ratio to the building of our total circulation.

COMMISSIONER BEAUBIEN: Why would you not want to increase your Canadian circulation?

MR. DAVIS: From an advertising sales point, sir, virtually our entire market is the American advertiser and were we to put tremendous emphasis against the Canadian circulation, let us say, for example, to triple it, it would be out of proportion for the American advertiser. If he came to us and said "Look, you have ten per cent of your circulation in Canada and that is very little use to me", it would be a competitive handicap in advertising and sales.

COMMISSIONER BEAUBIEN: Well, I am sure the American motor car manufacturers advertise in Newsweek?

MR. DAVIS: Every one of them.

COMMISSIONER BEAUBIEN: Are they charged for the three per cent circulation in Canada?

MR. DAVIS: They most certainly are.

COMMISSIONER BEAUBIEN: Well, to a certain extent, you get some benefits from your Canadian circulation, as far as advertising is concerned?



MR. DAVIS: Yes, absolutely.

COMMISSIONER BEAUBIEN: You mention in your brief something about denying access to American magazines in Canada. I do not think there is any thought of that, as far as this Royal Commission is concerned; that is the last thing that we would want to do. I thought I should make that clear.

MR. DAVIS: Fine.

COMMISSIONER BEAUBIEN: Do you distribute your magazine in our chairman's country -- Ireland?

MR. DAVIS: Yes, we do.

COMMISSIONER JOHNSTON: Why?

MR. DAVIS: There is a very good reception to Newsweek in Ireland.

COMMISSIONER BEAUBIEN: And in Switzerland too?

MR. DAVIS: Yes, in Switzerland.

COMMISSIONER BEAUBIEN: And in Belgium?

MR. DAVIS: Yes, sir.

COMMISSIONER BEAUBIEN: Are there any restrictions in those three countries, and possibly others, applied against your magazine?

MR. DAVIS: There are no restrictions in any of those countries. There are restrictions in some areas of the world, but those restrictions are mainly due to currency controls, or where they have a currency problem.

COMMISSIONER BEAUBIEN: Would there be



special mailing rates, for instance, in that location, to domestic publications, which would give them an advantage?

MR. THOMPSON: There is no advantage or disadvantage to us in any of those countries.

COMMISSIONER BEAUBIEN: As far as paper is concerned, you mentioned buying some \$150,000.00 worth of paper?

MR. THOMPSON: That is right.

COMMISSIONER BEAUBIEN: That was for foreign..?

MR. THOMPSON: That was for our European edition.

COMMISSIONER BEAUBIEN: In the United States, you buy all your paper from American concerns, do you?

MR. THOMPSON: I believe the principal amount of the paper that is purchased is from American concerns, because of the six per cent duty.

COMMISSIONER BEAUBIEN: Is there a duty on the American paper? There is no duty on American paper entering Canada?

MR. THOMPSON: This, I do not know.

COMMISSIONER JOHNSTON: You mentioned six per cent. Isn't it more than that?

MR. THOMPSON: This is not my field and I cannot really answer that.

THE CHAIRMAN: Mr. Davis, you say, and I think you are right about it, but I would like to have you go on the record and tell us why you





think you are right -- you say that there is no Canadian news magazine in existence and you add "...nor, in our opinion, would it be economically feasible for one to exist, even if there was no foreign news magazine circulation in Canada."

Why do you think that?

MR. DAVIS: Mr. Chairman, that is really a question of costs and numbers, or potential. The population of the United States today is approximately 180 million. Your Canadian population, I believe, is approximately 18 million -- about ten per cent. You have a complicating factor there in a bilingual problem, which we do not have.

For many years, the three American news magazines now circulating in Canada have built up in the neighbourhood of 300,000 circulation. Wipe that out. I am sure that anyone in the publishing industry would agree with me that you cannot support a news magazine today on 300,000 circulation. Take it up higher -- throw in another 100,000 circulation. I do not believe there is any more expensive type of magazine in the world to publish than a news magazine. It is ridiculous. We do everything in the most expensive way. Well, I mean, when do we close? We close for the weekend and we print on double and triple time. We ship by the most expensive and fastest means available, and maintain bureaus all over the world. It is



tremendously expensive. Look at the United States with 180 million people. There are three news magazines in existence there and all of them better than 25 years old, and they have over that period of time, and all of them starting in far less costly times than today -- have built up to a total of about five million. We will again take that five million and take ten per cent of it. It comes back to 500,000 potential for Canada and this five million was, as I say, after twenty-five years. So, my point, as I said, is nothing but one of potential numbers and fantastic cost today.

THE CHAIRMAN: Tell me, what percentage of your revenue in Newsweek comes from advertising; what percentage from sales and subscriptions?

MR. DAVIS: I certainly should know that. A very, very high percentage of our total revenue obviously comes from advertising; I should say in the neighbourhood of 80 to 85 per cent. Would you agree with that, Mr. Thompson?

MR. THOMPSON: Yes. That is about right. The remainder coming from circulation; but, I would say to you, since it is my department, the circulation is a profitable...

THE CHAIRMAN: It is profitable?

MR. DAVIS: Yes.

MR. THOMPSON: Under a system of book-



keeping. What I mean by that is...

THE CHAIRMAN: What about cash in the till? Let us forget the bookkeeping.

MR. THOMPSON: I am not talking about bookkeeping, per se. The Circulation Department operates as a profit and loss department, but the cost of magazines are not charged against it.

MR. DAVIS: That is correct -- just standard publishing in Canada.

THE CHAIRMAN: What is the rule in the United States with respect to magazines? What percentage of their net earnings comes from circulation?



MR. THOMPSON: I do not believe, sir, that you can say this is a standard rule applicable to the magazine industry. There is no question that there are other magazines besides ours that make money in circulation. There are some that, in proportion to their total circulation, make a good deal more, but there are also many publications, I am sure, in the United States which do not make money on their circulations.

THE CHAIRMAN: We have had one very large magazine represent to us that it made 40 per cent of its revenue from circulation. Personally I did not believe them myself.

MR. THOMPSON: I find it staggering, I really do -- or they must have very little advertising.

THE CHAIRMAN: No, they have a lot.

COMMISSIONER JOHNSTON: How do you distribute in Canada your mail circulation? Single copies mailed direct from, say, Dayton?

MR. THOMPSON: The subscription copies?

COMMISSIONER JOHNSTON: Yes.

MR. THOMPSON: They come in from all three printing plants, Dunnellen, Dayton and Los Angeles.

COMMISSIONER JOHNSTON: You do not send any quantity in bulk to Canada for distribution through our Post Office?

MR. THOMPSON: I do not think we do.

MR. DAVIS: The postal laws will not permit that. You cannot freight copies, you have to enter





them in the mail. We pay American postage on them as well as Canadian.

COMMISSIONER JOHNSTON: Some publications ship their magazines in bulk to Toronto or Windsor or some such place and they then go into the Canadian Post Office and pay the Canadian postal rates. You do not do that?

MR. THOMPSON: No.

MR. DAVIS: No.

THE CHAIRMAN: Our rates are lower; this would be the reason.

Thank you both very much indeed.



SUBMISSION OF PROFESSOR FRANK SCOTT:

THE CHAIRMAN: Have you a brief?

PROFESSOR SCOTT: No, Mr. Chairman, I have not a brief but I have some remarks I would like to make on one part of your explorations.

THE CHAIRMAN: You have no notes that would help us to follow you?

PROFESSOR SCOTT: I am just speaking from notes.

It is not my intention to attempt to cover your field broadly but rather to confine my remarks to an area in which I have had personal experience.

THE CHAIRMAN: You are here speaking as an individual?

PROFESSOR SCOTT: Yes.

THE CHAIRMAN: You usually do speak as an individual.

PROFESSOR SCOTT: I am speaking as an individual representing no-one but myself.

I should like to talk about what might be called in general non-profit periodicals.

COMMISSIONER JOHNSTON: That takes in all of them does it not?

PROFESSOR SCOTT: At least these do not attempt to make a profit, Mr. Chairman. Before I enter upon that may I just state my own position with respect to one or two of the more general ideas which, it seems to me, have come before you in other briefs?

I too share the view that we should not bar entry to Canada to any magazine and that the



free flow and circulation of ideas is something so essential in a free society that it should be encouraged at every point. On the other hand, Mr. Chairman, I see nothing wrong if it were found desirable in the imposition perhaps of a special tax at certain points on magazines that do come in from abroad, just as we put taxes on other commodities entering, provided it would not be a prohibitive tax. And if it were thought desirable to tax what we call the overflow magazines I would like to think that any revenue from such a tax might be devoted to the promotion of our own magazines because I shall go on to recommend that more direct assistance be given to Canadian magazines. As that is going to cost perhaps a certain amount of money I would see nothing wrong in it coming from the overflow magazines from other countries.

I also believe it is essential in Canada that certain learned and scientific and literary periodicals receive direct assistance and that that assistance can be of great value to Canada and can make possible the publication and distribution of magazines of a high quality which otherwise would simply not exist.

I think that such direct assistance to periodicals is as valid as direct assistance in the publication of books which now exists in Canada in several ways or the publication of films through the National Film Board or radio and television broadcasts



and so forth, in other words the literature to which I am speaking belongs in what you would call the cultural activities of Canada, and that the State should be concerned in the promotion of cultural activities seems to me to be obvious.

May I now come to the specific periodicals about which I would wish to talk? I would divide these into three main categories. There are the periodicals in the field of the arts, humanities and social sciences, to make a broad classification. In this field we have our university quarterlies, we have things like the Canadian Journal of Economics and Political Science, a very fine quarterly representing political, scientific, economic and sociological material. We have in this category a periodical like the Canadian Bar Review, which has achieved considerable distinction among the law reviews in the English-speaking world. We have magazines like Canadian Art, now receiving considerable assistance from the Canada Council. In this area also we have opinion journals which are not run primarily for profit - I would mention the Canadian Forum as an example, of which in this country I think we have all too few. Then another category would be the purely scientific journals. I understand that the National Research Council is at the moment supporting five or six of these scientific periodicals, and without that support they would not exist.

I was talking yesterday to a subscriber to





the Canadian Journal of Microbiology. That journal is only four years old; it started with a circulation of about 700, mostly to microbiologists in Canada and others working in similar fields who wished to subscribe. Through the contribution of the National Research Council that has now achieved a circulation of 1500 copies and is a must journal for scientific libraries around the world. Without that assistance that journal could not have achieved its place in the world or its usefulness throughout Canada, and I am sure you would find other examples of that. In other words the learned journal, assisted through funds from some proper body, plays and must play an important part in the intellectual life of Canada.

I would like to talk about a third category of periodical, one I am sure very little known to the general public. It is the "little magazine", properly so-called because the phrase "little magazine" is used among the poets and writers specifically to indicate a small magazine that some group of writers has organized, which it edits and which it publishes and which presents their experimental literary work, often the work of younger writers who would have no other outlet, and a journal which is not primarily concerned in the size of its circulation but is concerned with the encouragement that it gives to writers.

I believe that these little magazines have



an importance in the cultural life of Canada far beyond what you might guess if you looked at their statistics.

I have brought here for your personal inspection if you wish to look at them, Mr. Chairman and gentlemen, a few examples. I have a collection now, I think, of about twenty of these little magazines which have come out in the past twenty years. In each one of these you will find the names of people who are now well-known Canadian writers, and very often their first appearance in Canada was in some such little magazine. I could start here with one that I was connected with a long way back, the McGill Quarterly Review, a student magazine. Dr. Smith, the well-known Canadian poet, was the editor of this magazine. He gathered a group of people around him and the magazine ran for two years. It gave a start to people in a writing career who have subsequently become well-known. This was followed in the 20s by the Canadian Mercury; this had a backer, a McGill graduate, who kept it going until the stock market crash in the 30s when we and he were wiped out. It shows the magazine must have a sponsorship, it can not hope to live on circulation and does not seek advertising, but it has a part to play. Here is a magazine called Prism now being published in Vancouver which has discovered new writers and has contributions from others, which is a stimulus to a group of writers in that area.



I presume you have heard of Tamarack Review, which has now really passed beyond the little magazine stage; it has got itself established and is making a valuable contribution to the literary life in the English language.

Two of these magazines, of which this little magazine Delta is an example, were published by a man who owned a hand printing press and the magazine was actually typeset and printed by the editor himself.

COMMISSIONER JOHNSTON: Could you further identify that?

PROFESSOR SCOTT: This is Delta Magazine, published by Professor Louis Dudek of McGill who has his own press. He prints this whenever he has enough material to fill it and presuming he is not away at the time. Young writers across Canada know this magazine; it is a place where they can have their poems and perhaps short stories -- but it is mostly poetry -- published.

These magazines create a kind of sense of community among writers because these are the methods by which they communicate one with the other and I think these do the same kind of thing for young writers that exhibitions of paintings do for new groups of painters which emerge. They are a stimulus and an incentive. They have an important role to play in the cultural life of this country. I do not need to go through any more of them, they are constantly emerging, disappearing



and new ones coming forward.

Mr. Chairman, the question might be asked: What can be done or should anything be done, or need anything be done, to stimulate this kind of publication in Canada? Well, something is already being done through the Canada Council. In the case, for instance, of the Tamarack Review a grant was given for the publication of a special number, doubtless you have had this brought up before you. This kind of assistance to enable such a magazine to produce a special number is one way in which it can be helped. I would like to think that there might be other ways. I would like to suggest that a deliberate policy of fostering these little magazines, without killing them with kindness, is a very proper one, and I would suggest that the Canada Council (which is experienced in assisting the arts of all kinds in Canada) might be urged to extend its support to the little magazines in Canada in ways which I would leave to them to work out. It works always through committees or advisers of people who know the area and the field in which the support ought to be given.







I think the great difficulty in a country the size of Canada with these little magazines is the problem of distribution and even the problem of publicity; letting the people know that they exist and how to get a hold of them because these magazines usually will not be carried on the newsstand. They simply are not worth handling on the newsstand because the newsstand sale would be too small. Therefore the problem is one primarily of finding people interested in new literary contingencies and experiments and letting them know where they can get a hold of these magazines and how to find them.

Recently I was talking to some younger writers in Toronto and they were thinking of establishing some kind of a centre where all these magazines now existing in Canada would be available and this centre would be publicized and the people interested would be able to write in and obtain copies and to subscribe.

It is very important for the younger writers to have at an early stage in their writing career some feeling that they are wanted and that people are interested in what they are doing. This is where the encouragement comes to have great writers. You must have a receptive community. A writer can write all by himself alone without being read but he is much more liable to write



if he is encouraged to write. You will have more writers if there is in the community somebody to be brought into contact with the literary movement.

I perhaps have not been very precise as to how we would help this area of the periodical publishing business, Mr. Chairman.

I am sure it is being partly helped now. I think it could be further helped and I think direct assistance through the Canada Council seems the most obvious place. A policy of permitting distribution throughout Canada of these little magazines appears to me at the moment to be a very practical step that would be helpful.

I think, Mr. Chairman, that there was only one other thought in my mind about the question of the entry of foreign periodicals. Of course, we do bar through the Customs Act certain magazines entering into Canada if they fall within prohibitive categories.

It may be reasonable to have such prohibition but I would hope that there would be more publicity given by the federal government to the actual magazines whose entry is prohibited and the reasons for the prohibiting better known; because there is always the danger when you have an administrative censorship such as you have through the law courts, <sup>out</sup> standing of the light of publicity that there may be forms of prohibitive entry that perhaps are not justifiable.



I think that is merely a part of the whole of your problem that might deserve being looked into.

THE CHAIRMAN: Professor Scott, I may say that had I been invited to appear before a Commission such as this on the matters which we have been discussing, I think I would probably have said most of the things you have said, only I would have said them less well.

Throughout this Commission hearing I have been stressing, and I am afraid I have been a bit of a bore almost to my colleagues, some help for the little magazines. Now, as I listened to you I felt that you in effect took the arguments which justified the existence of the CBC and you require considerable argument to justify a loss of \$60 million a year; but in all events we are at the present time paying some \$60 million a year. I am afraid we are going to pay a great deal more to have the CBC do something to protect what we loosely call our culture. Well, surely if we are doing that -- and sometimes what we are protecting is Mr. Perry Como and Mr. Ed Sullivan, or Gunsmoke -- and I am always puzzled to know where our culture comes in on programmes of that sort.

Surely, if we spend that much money for the CBC for doing what it is doing and what we hope it will do, there could be some justification for some form of assistance to the sort of



magazines you have been discussing. I don't know how we would do it. I think in the Canada Council, which you have mentioned, that the trouble with the Canada Council is, as you well know, that it only has \$50 million to spend a year or the interest on \$50 million and every little library in the country rightly so is trying to get assistance. The ballet is asking for assistance and the theatre is asking for assistance. They have not enough money to go around.

I was interested in your suggestion of having a tax of some kind, with which we are not too enamoured which is placed on the consumer magazine, whatever magazines are said to be endangering our own consumer magazines and that this money might be earmarked -- did you suggest that?

MR. SCOTT: I suggested that.

THE CHAIRMAN: Earmarked for the use of helping these smaller magazines. Would you tell me this: are there fewer little magazines in Canada today than twenty years ago?

MR. SCOTT: Yes, I think there are. It is curious that a war will stimulate writing. It is not curious, but it stimulates many things you do not expect and during the war I would say there was quite a development of writing that appeared in Canada. More people wanting to write and little magazines springing up to get that







writing published.

Then there was a decline in the actual numbers though some new ones came in like Tamarack, which was perhaps better than any we had before.

We cannot really measure this by the actual number of magazines. I think these little magazines rise and fall but they are constantly doing their work of helping to train writers.

I wonder, Mr. Chairman, if you would like me to make a few observations, about the CBC which I had intended to do because the CBC is like a magazine of the air and the CBC itself has done a great deal to assist precisely the writers who appear in the little magazines.

There was on one occasion a programme called Anthology which was only put on late at night, of course, because culture is only allowed to go on at night during the times when the people cannot get any other programmes. On this programme the younger writers were told to read their poems or their poems were read for us and short stories were read and they always made that fee. It meant they are writers who have publicity given to their work. His name became better known and the CBC has given a considerable amount of help to younger writers in this way. I think it could do more. If it is going to do more, Mr. Chairman, I take exception to the statement



that we lose \$60 million a year on the CBC. I cannot imagine money better invested.

THE CHAIRMAN: You pay it.

MR. SCOTT: There was another Royal Commission you will remember, Mr. Chairman, the Aird Commission in 1928 which recommended there be no advertising at any time of any kind ever on the CBC, which was how this country started.

THE CHAIRMAN: And a good Conservative government brought it in.

MR. SCOTT: That is right.

There is another way in which institutions like the CBC help writing in Canada. That is, they give opportunities for employment to writers of a kind congenial to writers.

I am sure you will find it a very interesting investigation if you were to take a list of the personnel of the CBC who are writers and who are in fact able to write more easily because this kind of employment enables them to combine both their daily work and some of their writings.

The same, of course, is true of the National Film Board. You have an excellent French Canadian writer in Ann Hebert. She has been an employee of the National Film Board for some years, although largely freelance. The opportunity of that employment not incompatible



with writing of the kind that she produces would not enable a writer to maintain himself. The influence of these institutions is very great and this is an indirect contribution to Canadian culture that comes from these bodies.

THE CHAIRMAN: Do you think that direct assistance to these little magazines would inhibit them in expressing their opinion? I must say it doesn't seem to have inhibited the CBC. Do you think there would be any chains to the printed word?

MR. SCOTT: No, I don't think so. The most important question will always be asked, which ones are you going to support and which ones are you not going to support. That is always a bit of a headache. That is the kind of headache we have in so many respects. I think we have the same problem when we ask the question "Which student shall we give the scholarship to or which student shall we not give the scholarship to". You have to make a choice. You could perhaps judge partly by marks although we all know they are not the complete judge of students.

That is the kind of choice. As I say I suggest a committee of the Canada Council, which is a body that has had some experience in this regard, may work out this in numbers or selections. I do not say there should be a



regular annual subsidy.

It might be a contribution that certain of these magazines may be purchased, let us say, by the Canada Council, distributed through our ' embassies and agencies abroad and left available because they are very presentable.

If these were in the embassies abroad when people wanted to know about Canadian culture they would see them. To some extent I ~~think~~ it is being done there now.

There are a number of ways in which the difficulty of publishing these little magazines can be eased.

Mind you, Mr. Chairman, you have a group of good writers who want to publish a magazine, you can expect them to be doing it with this kind of the simplest form of the magazine. Some individual member of the group sits down, types out a stencil, runs it off on any mimeograph machine and shortly has a magazine and this is really what you might call "grass roots publishing", but it does give a lot of useful work.

THE CHAIRMAN: Do you not want to get the circulation to go out to people? Is that not right? Do you want people to write poetry or good literary work. Do you not have to circulate?

MR. SCOTT: That is part of the problem; the development of ways and means.

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THE CHAIRMAN: Yes. That is what I want to know. Do you develop these means unless you have people writing good things to support them?

MR. SCOTT: Well, there are writers. I think that these interests develop. They are now experimenting in Toronto with poetry as such. Poets are invited to read and the Canada Council certainly helps in that regard. It has been very successful. Of course, it is much more developed throughout the United States.

THE CHAIRMAN: Is the sale of poetry now any greater than it was in the past?

MR. SCOTT: Yes, very much greater.



THE CHAIRMAN: I believe you know of a book called *The Blasted Pine*. I think you wrote the forward to it. Did it find a good sale?

PROFESSOR SCOTT: It did have in Canada a surprisingly good sale, so good it is already out in paperback, which is the proof. The hard cover is sold out. It has, yes.

THE CHAIRMAN: Would you not consider that highly encouraging?

PROFESSOR SCOTT: Very encouraging. There is no question whatever that the ~~taste~~ for poetry in Canada, the recognition of poets in Canada and the reading of poetry has increased very highly. Let me give you a comparative figure in that regard, Mr. Chairman. In 1936 A.J.M. Smith and I edited a little collection of *New Canadian Poetry*. It was published by MacMillans. In order to have it published we had to provide MacMillans with \$200 to start it. The book sold 84 copies in one year. It had in it poems by E.J. Pratt, probably the best known Canadian poet writing in English; A.M. Klein, recipient of the Governor General's Medal later on, and extremely well known; Robert Finch, another man who received the Governor General's Medal; A.J. M. Smith, who received the Governor General's Medal, and poems by Leo Kennedy and myself. That book is now a rather rare piece of Canadiana, but only sold 84 copies in one year.

I understand the latest anthology produced



by Dr. Smith, The Oxford Book of Canadian verse, which has only been on sale two months has already sold 2,000.

One can see that such a development is not only due to the increase in population in Canada. It is partly due to an awakened interest in Canadian writers as such and the fact we are having more writers and there is more opportunity for them to get published.

THE CHAIRMAN: Do you find that prevalent in the Province of Quebec among young French Canadians?

PROFESSOR SCOTT: I think the French-speaking Canadians are better readers than the English-speaking Canadians. I am astounded at the way in which ...

THE CHAIRMAN: You mean they read better things?

PROFESSOR SCOTT: Better -- they read more and they buy more books. Partly this is because of the French method of publication. The book is cheaper. That is quite a factor in that. I have met young French Canadian poets whose first book may have been unknown but will sell three or four times as much as the equivalent book in English will sell in the whole rest of English Canada. Partly I think there is a intellectual interest in Quebec in their own achievement, at the present moment particularly, which stimulates their interest in their own creative talents. I think that the French Canadian poet is in almost an enviable position in that regard.



THE CHAIRMAN: Why?

PROFESSOR SCOTT: He is getting a better public. He is more received.

THE CHAIRMAN: Have you taken note of these magazines that are coming in from France, Marie-Claire and Paris Match?

PROFESSOR SCOTT: I would like them to come in as I would like the American magazines to come in. They all contribute something to the general interest of readers all the world over.

THE CHAIRMAN: You would not bar any magazines?

PROFESSOR SCOTT: I would not bar any magazines.

THE CHAIRMAN: Unless they violate the Criminal Code?

PROFESSOR SCOTT: Yes, but I would not hesitate to take a share of the profits on certain of them and use it for literary promotion, if only for re-direction.

THE CHAIRMAN: Mr. Beaubien has taken copious notes. I think he may have some questions.

COMMISSIONER BEAUBIEN: I think you have covered it thoroughly.

THE CHAIRMAN: I am very grateful for you coming.

COMMISSIONER JOHNSTON: I have one or two questions. Professor Scott, from your observation of these little magazines would you say most of them





are off-beat or do they run the gamut, the intellectual and economic gamut?

PROFESSOR SCOTT: They run the gamut. I wish we had a few more off-beat. Out of the off-beat cometh the new bright book.

COMMISSIONER JOHNSTON: From your observations do you know if these little magazines are more prevalent in Canada than say in the United States or Britain?

PROFESSOR SCOTT: I think they are more prevalent in Canada than in Britain predominantly, but not more prevalent than in the United States. They are very wide spread in the United States. As a matter of fact there is a fair amount of communication back and forth, and I am certain our poets get some stimulus from reading the American little magazines. Quite a substantial number of Canadian poets put their poems into American little magazines.

COMMISSIONER JOHNSTON: Earlier in your remarks you mentioned a few little magazines such as The Canadian Bar Review and the The Canadian Banking Journal. You don't think they need a subsidy?

PROFESSOR SCOTT: They are subsidized, of course, by their associations. I do not think they need any further subsidy, no.

COMMISSIONER JOHNSTON: Thank you.

COMMISSIONER BEAUBIEN: Professor Scott, I gather you consider that the periodical publishing



industry is a secondary industry -- might be compared to other secondary industries in Canada as far as foreign competition is concerned?

PROFESSOR SCOTT: I do not ever think of it as an industry. That is because I come from an academic background. I suppose in economic terms it has some parallels, but the magazines and periodicals which I have been talking about are kept going through love and gifts and contributions, and not through the ordinary commercial processes.

COMMISSIONER BEAUBIEN: Then you consider this type of little magazine possibly needs encouragement, but it does not suffer from competition from foreign publications?

PROFESSOR SCOTT: It doesn't suffer at all from competition. While there are many others like them, they are brought into Canada and subscribed to, but I think they tend to stimulate rather than to stifle them. They teach Canadians how to do it and make them want to do it more. In this area every other little magazine existing is a stimulous to another one, I think.

THE CHAIRMAN: Thank you, Professor Scott, for a very helpful contribution.

PROFESSOR SCOTT: Thank you, sir.

THE CHAIRMAN: I think we shall adjourn for a short recess.

---Short recess.



SUBMISSION OF MECO LIMITED

APPEARANCES:

James A. Leggett.

EXHIBIT NO. M-15: Submission of Meco  
Limited.

MR. LEGGETT: My name is James A. Leggett.  
I am President of Meco Limited. We have submitted  
a brief to the Royal Commission and would the  
commissioners wish me to read my brief, or accept it  
as read?

THE CHAIRMAN: I think we prefer to have  
you read it.

MR. LEGGETT: Thank you very much, sir.

Forward:

Meco Limited submits in this brief its  
comments in respect to its own particular operations  
and the photoengraving and electrotyping industry  
in general, as they are affected, or could be  
affected, by the findings of the Royal Commission.

Meco Limited is a wholly Canadian owned  
Company, operating its offices and plant in the  
City of Montreal, producing art work and printing  
plates for the graphic arts industry.

The Company is entering its fiftieth  
year of operations and is employing one hundred  
and forty-seven people.



Operations:

As a manufacturer of all types of printing plates, vitally concerned with the development of the publication field and general printing in Canada, the following is submitted for consideration by the Commissioners.

We supply printers, publishers, advertising agencies and general industry with art work, engravings, duplicate printing plates, negatives, positives and plates for lithographic printing.

Publications:

The Prime Minister has stated that publishers of Canadian national periodicals have made repeated representations to the effect that the financial results of publishing such periodicals have been deteriorating because of growing inequitable competition from foreign periodicals in various forms.

We respectfully submit to the Commission that, during their study of the many questions and problems that will be submitted to them, they classify the various forms of competition into:

1. Those magazines printed and published in Canada using some international but primarily national editorial material.
2. Those magazines printed and published





in Canada using some national but primarily international editorial material.

3. Those magazines printed and published outside of Canada using primarily international editorial material.

We submit that if a magazine is supervised editorially in Canada, by Canadians, that all phases of its mechanical production are produced from Canadian materials, with Canadian labour, in Canadian plants and distributed by Canadian carriers, then such a magazine should not be erroneously labelled foreign or classed with imported magazines.

Meco Limited is very proud to be associated with the Reader's Digest and Selections du Reader's Digest in Canada and to number them amongst our clients as they are contributing to the Canadian economy through materials purchased and wages paid by our company and others.

For the past twelve years, we have manufactured all of the press plates that are used to print these magazines.

The Reader's Digest has invested some \$60,000.00 in equipment in our plant and they are one of our largest customers as, in our largest department, they alone absorb 25 per cent of the



production.

This business provides full time work for approximately twenty-six of our employees and accounts for \$175,000.00 of our annual sales volume.

If all magazines now distributed in Canada were printed and published in Canada, similar to the Reader's Digest operations, it would certainly add significantly to the economy of our industry and Canada.

As an example, we would submit the Reader's Digest issues and this company's revenue from the Digest, for comparison with the revenue that would be received if all the plates for twenty-three A.B.C. audited American magazines, with a circulation of 75,000 copies or more per issue, were made in Canada:

Reader's Digest

|  |           |             |
|--|-----------|-------------|
| Issues - Reader's                      | 12        |             |
| Selections                             | <u>12</u> | 24 per year |
| Revenue to this company - \$175,000.00 |           |             |
| Revenue per issue - \$7,291.00         |           |             |

23 United States Magazines

|                                |            |            |
|--------------------------------|------------|------------|
| Issues - Weekly                | 208        |            |
| Semi-monthly                   | 26         |            |
| Monthly                        | <u>216</u> | 450 issues |
| Revenue per issue - \$7,291.00 |            |            |

Total revenue to Canadian economy - \$3,280,950.00  
(See Appendix "A" for details)



We would draw to the attention of the Commissioners that this estimated dollar revenue of \$3,280,950.00 for the twenty-three American publications includes only a very small percentage for original engravings required for advertising pages. The bulk of these advertising page engravings is produced in other engraving plants throughout Canada. Therefore, no figures are available to us as to their value.

However, it is evident that our industry and Canada's economy would benefit by many millions of dollars if the major circulation magazines (such as the 23 examples shown) published and printed in Canada, followed purchasing policies similar to Reader's Digest.

#### General Printing

We respectfully submit that the Commissioners extend their deliberations to the effect of the importation of general printing upon the Canadian economy.

With your permission, we quote the figures shown on Appendix "C" of the Graphic Arts Association brief to the Royal Commission:

"\$96,345,496.00 of printed material was entered through Customs in the year 1959".

We are well aware of the fact that it would be economically unsound to produce certain



of the material included in the above figure in Canada, but we would suggest that there is a large volume of the general printing imported that could be produced in Canada as efficiently as it is produced elsewhere, if Canadians were given the opportunity, and what a tremendous boost this would be to the Canadian economy!

The labour force in the chemical, metal and the paper industry would all be affected, in addition to the direct effect upon the plate-making and printing industries.

#### Other Imports

We would remind the Commission that many thousands of dollars worth of printing plates are imported each year from the United States for use in Canadian publications. These plates are imported duty free if the publications are issued more than four times a year.

#### Inequality of Exports

When Canadian firms ship printing plates to the United States for use in American publications, such plates are subject to United States duty of  $10\frac{1}{2}$  per cent.

#### Inequality in Canadian Imports.

Whereas finished printing plates can be imported into Canada duty free, art work imported into Canada for Canadian plants to make the printing plates in Canada, such art work is





subject to an import duty of 9 per cent.

### Conclusion

While the primary purpose of the studies of the Commission may be to make recommendations to assist in the development of a stronger Canadian identity and culture, we submit that any such development should not conflict with the development of Canadian industry. As a company responsible for the employment of heads of Canadian families, the Commission's findings will be of vital concern to us insofar as they affect our particular business.

Ways should be found to encourage publishers to produce their Canadian circulation issues in Canada, and we reiterate our belief that such publications headed by Canadians would encourage a much better understanding of Canada and make an improved contribution to the Canadian scene.



APPENDIX "A"

| <u>American Magazines</u>              | <u>No. of<br/>Issues</u> | <u>Cir. per<br/>issue</u> | <u>Cir.<br/>per annum</u> |
|--|--------------------------|---------------------------|---------------------------|
| American Homes                         | 12                       | 76,954                    | 923,448                   |
| Agrosy                                 | 12                       | 104,702                   | 1,256,424                 |
| Better Homes & Gardens                 | 12                       | 87,205                    | 1,046,460                 |
| Coronet                                | 12                       | 146,819                   | 1,761,828                 |
| Good Housekeeping                      | 12                       | 173,688                   | 2,084,256                 |
| Every Woman's Family Circle            | 12                       | 315,653                   | 3,787,836                 |
| Ladies' Home Journal                   | 12                       | 235,617                   | 2,827,404                 |
| Life                                   | 52                       | 281,810                   | 14,654,120                |
| Look                                   | 26                       | 156,981                   | 4,081,506                 |
| McCall's                               | 12                       | 233,016                   | 2,796,192                 |
| Modern Screen                          | 12                       | 114,737                   | 1,376,844                 |
| National Geographic                    | 12                       | 97,696                    | 1,172,352                 |
| Parent Magazine & Better<br>Homemaking | 12                       | 88,669                    | 1,064,028                 |
| Photoplay                              | 12                       | 103,127                   | 1,237,524                 |
| Popular Mechanics                      | 12                       | 103,235                   | 1,238,820                 |
| Red Book                               | 12                       | 175,067                   | 2,100,804                 |
| Saturday Evening Post                  | 52                       | 230,664                   | 11,994,528                |
| True                                   | 12                       | 154,188                   | 1,850,256                 |
| True Confessions                       | 12                       | 97,851                    | 1,174,212                 |
| True Story                             | 12                       | 247,068                   | 2,964,816                 |
| T.V. Guide                             | 52                       | 364,592                   | 18,958,784                |
| Time                                   | 52                       | 203,156                   | 10,564,112                |
| Woman's Day                            | 12                       | 226,597                   | <u>2,719,164</u>          |
|  |                          |                           | <u>93,635,718</u>         |



COMMISSIONER JOHNSTON: Mr. Leggett, would you tell us exactly what happens when Reader's Digest publishes in Canada an article that is a facsimile of an article in the main edition for Pleasantville.

MR. LEGGETT: I believe, and this is not my end of the industry, that the copy comes down from Pleasantville and is re-set or set up at the Ronalds Company Printing plant. Ronalds do all the printing for the Reader's Digest in Canada and I believe they also do all the type-setting.

COMMISSIONER JOHNSTON: What about the engravings?

MR. LEGGETT: They are done right here in Canada -- most of them. There is the odd one that comes from the States, but most are done right across Canada.

COMMISSIONER JOHNSTON: And you make those?

MR. LEGGETT: No. That is the original engravings. This figure that I have given you of \$175,000.00 only includes the press plates that are run on the press. That does not include the original plates that have to be made before you can make the electrotpe.



COMMISSIONER JOHNSTON: You make the electrotypes?

MR. LEGGETT: We make the electrotypes.

COMMISSIONER JOHNSTON: The original plates come from the States, do they?

MR. LEGGETT: No, from all across Canada -- Vancouver, Toronto, Ottawa, all from different advertising agencies. There is the odd one that might come from the United States.

COMMISSIONER JOHNSTON: I was thinking more of the editorial content -- those plates.

MR. LEGGETT: That part I would not have. I believe they set up the typesetting at Ronalds for the editorial content.

COMMISSIONER JOHNSTON: The illustrations?

MR. LEGGETT: That is done in our plant.

COMMISSIONER JOHNSTON: From drawings?

MR. LEGGETT: From drawings.

COMMISSIONER JOHNSTON: Not duplicates of plates imported?

MR. LEGGETT: No, we make the drawings ourselves.

COMMISSIONER JOHNSTON: The rates of duty on materials crossing the border are fixed so that the Canadian importer or Canadian exporter is at a disadvantage compared to the United States. That is the main point you make?

MR. LEGGETT: That is right.

COMMISSIONER JOHNSTON: Mr. Zimmerman,





the President of Reader's Digest, said on the witness stand in Ottawa that he did not see how any Canadian reader could consider that Reader's Digest is a Canadian magazine in spite of the fact that mechanically the work is all done in Canada.

MR. LEGGETT: That is his privilege.

THE CHAIRMAN: Thank you very much, sir,  
for your presentation.



SUBMISSION OF INDUSTRIAL SAFETY - SECURITE INDUS-  
TRIELLE:

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MR. LUPIEN: My name is Jacques A. Lupien.

In September, I agreed to become editor of a new magazine "Industrial Safety", for the simple reason that it was a real challenge. Up to that date, there was not a single truly national Canadian periodical dealing exclusively with industrial accident prevention, because the major Canadian industries were more or less happy with the numerous American publications dealing with this specific subject.

Before reading this rather short brief submitted by Industrial Safety Service Inc. of Montreal, to answer the question put forward by this Royal Commission -- how to further development of Canadian identity through a genuinely Canadian periodical press -- may I, with your kind permission, Mr. Chairman, make a declaration of principles on my own behalf?

THE CHAIRMAN: Yes.

MR. LUPIEN: I am proud of my French origins, but I am grateful to God to be born in Canada because not only do I believe in God with all my soul, but I also believe in Canada with all my heart.

On the other hand, I do not believe in pacific co-existence between East and West. On the contrary, I share Red China's point of view that pacific co-existence of the two camps is impossible



just as pacific co-existence between God and the Devil is also impossible.

But, I firmly believe in harmonious co-existence of Canadian citizens of any origin. I sincerely hope that some day every Canadian will be fully bilingual so that each ethnic group will greatly benefit from the other. When achieved, this ultimate goal will help in a certain extent to check the influence of American publications at home.

While this Royal Commission is mainly concerned with the problem of Canadian identity, may I ask this simple question: Does Canada possess a symbol of this Canadian identity, I mean a distinctive flag? Alas, no. I do not care if I am laughed at (as has happened in the past) for the sake of my country. I solemnly pledged a year ago to do everything in my power until the first of July 1967, the date of the centenary of Confederation, in order that Canada be given an official emblem of our Canadian identity, a truly distinctive flag.

Not long ago, I was asked by one of the Fathers of Confederation, The Right Honourable Louis S. St-Laurent: "What has happened to the new League of The Sons of Confederation?" Well, here is my answer: "Elle naitra dans la douleur s'il le faut, mais elle vivra, or my name is not Jacques Lupien".

I once heard a beautiful American song that stirred my soul. That song was entitled "God



Bless America". But I know of a much more beautiful Canadian song that stirs my deepest emotions every time I hear even the tune without the words. It is called "O Canada".

May God bless our gracious Queen, and may God bless America also, but above all, may God bless Canada.

I want to apologize to this Commission and to this assembly for being out of order, but here is my conclusion. There is a true Canadian spirit which is more and more palpable every day from coast to coast. It is the same Canadian spirit that explains the creation of this Royal Commission on Publications. Personally, I am in favour of fighting back the American spirit that has invaded Canada through literature and numerous other means by showing and using this true Canadian spirit. But let us start at the beginning by proving, not only to ourselves but to the entire world, that the Canadian identity is not simply a myth but a reality, by getting first of all an official symbol of this true Canadian spirit, an emblem that will rally all the Canadians of good faith. Here (producing a flag) is a flag of compromise dedicated by the Sons of Confederation to their Fathers on the occasion of the Centenary of Confederation. It has nothing to do with the Commission, but it is a declaration of principle.

Mr. Chairman, please excuse me for having





been out of order. I will now carry on with the brief itself.

We eagerly accept the Royal Commission on Publications' most cordial invitation to submit a memorandum, before November 15, on Canadian periodicals and the effects of American competition. We shall however restrict our comments to those problems concerning us directly.

Industrial Safety Service Inc. is the editor of a new, and unique, Canadian magazine. "Industrial Safety - Securite Industrielle", as its title indicates, is a bilingual publication. Though the editors insist on national coverage, its chief aim is to provide Quebec industry with timely and essential safety literature in French. This explains the predominantly French aspect of the magazine.

We propose to inform labour and management on the importance and the methods of promoting safety on the job. The name of the publication shows its purpose. Its contents will be of equal interest to industrialists and the mass of workers.

"Industrial Safety" is unique not through its bilingualism, but rather because it treats the aspects of safety on the job on the national level; developments in each province are analysed and reported, so that any province can benefit from the experience of another.

Certain prevention organizations publish



periodicals specially devoted to safety, but they are limited to a specific domain, such as, to name one only, the pulp and paper industry. The same remarks apply to large corporations who endeavour to promote employee interest in accident prevention by publishing a monthly leaflet which covers certain aspects of safety procedures. The National Safety Council bulletin on safety covers a very wide sphere, from Fire Prevention to Road Safety. Our bilingual magazine, on the other hand, is exclusively devoted to Industrial Safety.

Our publication is not perfect, far from it. We, the editors, are the first to recognize this fact. We beg your indulgence as this is a new magazine, whose first issue will roll off the presses as your Royal Commission meets. We hope to attain a larger measure of efficiency very shortly through the collaboration of top-ranking experts and further investments of time and capital.

Though "Industrial Safety" is the first national publication of its type in Canada, we have no illusions as to the absence of competition. This unfortunately is not the case. Our neighbours to the South offer very strong competition, competition which we will find an arduous task to challenge as our financial resources can hardly compare with the U.S. National Safety Council, of Chicago. The official organ of this State-sponsored organization has very wide Canadian distribution. This



should not surprise us; and there are many reasons to explain the fact. Mainly, it is an excellent publication and, until recently, there was no comparable magazine published in Canada. We do not pretend to compare our modest blossoming magazine to this first-rate American magazine which has almost a half-century of existence.

We are dwarfed by this giant publication belonging to an organization which, as far as we know, is not registered in Canada, not to speak of incorporation, whereas many other American publications have at least a Canadian office. It is not our wish to discredit a competing publication. We merely wish to make the facts absolutely clear. You will therefore agree, gentlemen, that National Safety News, notwithstanding its merits, is nonetheless plain import solidly implanted in Canada.

Industrial Safety Service Inc., of Montreal, Canada, is not State-subsidized as is the case for National Safety Council, Chicago, U.S.A. Though the Safety Council is a non-profit organization, as specified in its charter, it nevertheless sells its services, such as posters, films, magazines, etc.

Industrial Safety Service Inc. receives no subsidies, Federal or Provincial, because it is a commercial organization intending to show profits. Now then can we offer Canadian industry first-quality services, on a profitable basis, when competing



against such a giant as National Safety News? To be quite candid, we feel Lilliputian in the face of such competition, though, like David facing Goliath, we possess a weapon which our competitor cannot obtain.

Canada is a bilingual country; French is an official language, on the same level as English. By this same token we possess a double culture. In this we are superior to our neighbours. This is our secret weapon. You will admit, gentlemen, that we cannot expect to receive French industrial safety services -- magazines, educational films, posters, correspondence safety courses, etc. -- from Chicago, U.S.A.

But Quebec, an essentially French industrial province, requires these French services. This alone explains the existence of Industrial Safety Service Inc. Without this need, there would be no reason for our existence. We came into being after a serious survey showed that industry in the Province of Quebec could do without Chicago if a first-rate French equivalent was substituted. This is precisely what Industrial Safety Service Inc. offers.

We are only at the preliminary stage. We cannot afford to publish two magazines, one in French the other in English, for the time being. This we propose to do eventually. For the moment, we are concentrating our efforts on producing a







bilingual magazine in which French is the dominating language because the publication, though national in character, is primarily destined for Quebec and the Maritimes.

This covers the first question to be considered by the Royal Commission of Inquiry on Publications.

The second question treats of measures which could alter the existing situation. Should we not first insist on obligatory incorporation of companies or organizations whose publications have mass distribution in our country? The State would clearly benefit by gaining its share of corporation taxes. Our aim being to compete on a just and fair basis, not to eliminate our competition, we feel this would be a step in the right direction and would rectify any unjust advantage. Not being subsidized, we must therefore contribute a share of our profits, as income tax, to the State. Our competitor, in this case, National Safety Council, is subsidized and has the additional advantage of selling its services to Canadian industry, including its magazine, but pays no taxes on profits from sales in Canada.

Though far from socialistic, we favour, as do our two major national political parties, Family Allowances, Health Insurance, etc. We are and intend to remain a private commercial enterprise. We would nevertheless appreciate, and in view of the indisputable value of the contribution we intend



to make in the field of Industrial Safety, we humbly solicit a government subsidy. May we be permitted to elaborate on this vital subject. The help we receive would permit "Industrial Safety" to achieve the necessary vast coverage it should offer in a much shorter period of time. In order to do this, a subsidy could be given as long as the magazine shows a deficit, which should not at worst extend beyond 12 months. As soon as advertising revenues and subscriptions covers costs, we intend to utilize any profits to further promote Industrial Safety, never forgetting our ultimate aim of two distinct bilingual magazines.

May we thank you, Mr. Chairman and Members of the Royal Commission, for this opportunity we have had of submitting these facts which, we trust, throw some light on the problems of the independent publisher in Canada.

THE CHAIRMAN: We will now recess for luncheon until 2:30.

---Luncheon adjournment.

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--- On resuming at 2:30 p.m.

SUBMISSION OF ROD AND GUN

APPEARANCES:

Ronald J. Cooke.

MR. PITFIELD: Would you identify yourself?

MR. COOKE: My name is Ronald Cooke. I publish Rod and Gun magazine, Canada's oldest monthly publication which started in 1899. In two weeks we bring out a French edition. Thus we publish, you might say, the oldest magazine and the newest magazine in Canada .

There are two points which I would like to bring up which came up this morning and also throughout the Commission's hearings. One is the two per cent and up to eight per cent profit which American publications make. I might say that I have been in the publishing business and the writing business twenty-five years. I have written two thousand articles for American and Canadian publications. I have published three books. I have been an editor for ten years in



Canada and now I am a publisher. I know the publishing business and I know the magazine business from both sides of the field.

This two per cent profit that American publications make is only due to the fact of the fantastic salaries which they pay their editors. Up until 1948 when the newspapers paid salaries of the world's highest paid people, the editor of Esquire was getting \$75,000.00. Today that figure, I understand, is higher.

Various magazines, Reader's Digest, for example, pay their editors bonuses of anywhere from \$35,000.00 to \$75,000.00 a year. The American editor who does not get a bonus of at least \$25,000.00 goes in a corner and talks to himself wondering what is wrong with him. That is why this two or three per cent is only found in American business. Now, McGraw-Hill are a more business-like association. They get eight per cent. They do not pay the high salaries of some of the national interest magazines.

Now, I feel that many top American publications are taking "freedom of the press" to mean that they can have business in Canada. They pay no taxes whatsoever. I have a letter here from the post office showing that 55 magazines come into Canada every month by truck from the United States. The 55 publications weigh  $2\frac{1}{2}$  million





lbs. Now Canada has only 20 publications. They do not weigh a fraction of what the American publications weigh. Yet, what the American publications gain under our postal regulations were designed primarily for Canadian magazines to disseminate Canadian news. Today we have, as I say, 20 national magazines in Canada. We have 55 Americans. Of this  $2\frac{1}{2}$  million lbs. of monthly mail of American magazines there is only another, about 200,000 lbs. which is Canadian.

The American magazines mailed from Toronto have two reasons. The main one is our Postal laws that allow magazines to be mailed in Canada at a much cheaper rate than the corresponding laws in the United States. This obviously means that the Canadian taxpayers were subsidizing American magazines, which in turn, are in competition with the Canadian product.

The second is that American magazines are posted from Toronto and I understand there is one or two posted from Winnipeg and a couple from Windsor -- most come in by truck and are mailed from Toronto. The second reason for this is that if you mail a magazine to a foreign country you have to put the magazine in an envelope or have to put a wrapper on it or affix postage or print the value of the postage on the wrapper. If you mail it in the country the magazines are dumped into a large canvas sack and weighed by



the lb. This is obviously a saving to the publisher and is another reason why American magazines come into Canada and are mailed by the lb. from our Toronto post office.

Now, another subject which I would like to bring up here is the fact that these American magazines insert when they are mailed from Canada a little postcard soliciting subscriptions. Everyone of them do, whether it is Newsweek or Esquire or Life or Time.. A new one coming out called Go by Esquire -- the first issue comes out next month and they already have a card inserted in Esquire seeking Canadian subscribers. One of these cards is inserted in the middle of American magazines and has a box number at Toronto. The box would cost about \$5.00. Here you have an example of American magazines taking millions of dollars in Canada and all they are paying is a \$5.00 a month charge for a box. One or two have street addresses, which I suppose is a desk which may cost up to \$15.00 a month. Most use a box number. These subscriptions come in and the money goes over to the States. There is not a penny of it left in Canada .

This is something else which should receive your attention. I would like to say if your went to the street and asked 100 people which magazines are Canadian and which are



American and if you gave a prize of \$5,000.00, nobody would win the prize. Here you have a problem of new Canadians subscribing to magazines and not knowing whether they are Canadian magazines or American magazines. In fact, I feel quite sure even Canadians who lived here all their lives, apart from those of us in the business, are not able to differentiate which are Canadian and which are American publications.

I feel the American press unwittingly has **coldly calculated** a system for gaining distribution in this country. They first of all start by American magazines coming on the newsstand in which there is a card seeking subscriptions.

Now, after a while we have a case where a magazine has a 10, 15 or 20,000 circulation in Canada and obviously it becomes cheaper to mail in Canada, to truck them to Toronto and mail them and go to the expense of having a box number. This is step No. 2, obviously, to increase circulation once again.

Then we come to step 3, which of course, is the Canadian edition.

These are comments you gentlemen have been getting all the time. I have been in the business twenty-five years and I have seen the time come when Canadian magazines dominated the



newsstand, until today and I have just been at Eatons they have a small stand compared to some others. Eatons offer 100 titles on their stand however. There were four Canadian magazines shown and 96 were American. Now, it was brought out...

COMMISSIONER JOHNSTON: Were there any English in that group?

MR. COOKE: I saw four Canadian and 96 American. There was brought out this morning at the hearing that there were 100 million magazines of American variety sold in Canada. There were approximately 50 million Canadian. Now, these 100 million American magazines sold anywhere from 25 cents to \$1.00 per copy, but assuming that we take 25 cents as the price which the American publisher would get after paying the newsstands and other types of operation -- multiply 25 cents by one million and you have \$25 million. There is \$25 million going back to the United States without a penny being paid in taxes.

I have made this point a hobby of mine, this situation of American dumping. I have written articles and editorials on it. At the newsstand level there 850 American magazines available. When I say that, I mean different titles, 850 American titles. There are about 20 national Canadian magazines.

The Canadian magazine does not take a





show on the newsstand because magazines sell by their blatant cover and American publications, heavy with American advertising normally get preference. The news dealer pushes Canadian magazines to the side. I found Maclean's buried in the corner. I have seen other magazines right in front of it. The Canadian magazine does not sell because it is not as heavy as the U.S. magazine. Therefore, the newsstand operator being a businessman gives preference to the magazine which sells. Also, the fact is that American magazines predate their issues. In other words, the January issues are out now in many publications. People feel, for some strange reason, that a magazine with a date, a preceding date or a later date is a newer issue than another magazine with a current date. What happens is the Canadian magazines that come out on the first of December have very small sale because of the American magazines which have January or February date lines.

It is just economics to realize this country does 10 per cent of everything the U.S. does. We have 10 per cent of the newspapers, 10 per cent of the hardware store and 10 per cent of the grocers. We don't have 10 per cent of the publications of the United States. It is economy to get, as many as the people can support. Now, there are 850 American



magazines on the newsstand. Thus on the 10 per cent basis Canada should have 85 magazines instead of the 20 and we should expect them to be able to make a living. If we had 85 national magazines we would have a wonderful opportunity for the young writer, as Mr. Scott said today, and the young photographer and the young artist. In fact, there are no apprentices in the magazine field. Because of immigration laws they cannot work in the United States, they cannot go over and get a job, therefore, many young people of tremendous ability are forced to go into accounting and other types of work although they would make very fine magazine men. There isn't enough magazines in the country to support the young men. This is criminal. I know that 25 years ago we had a strong Canadian press with its share of circulation, and people were able to try and build a magazine business. There has been a decline in the number of papers, quality of papers and size of papers, and yet the American press has forged ahead in Canada. In 1910 Rod and Gun had 140 pages including automotive advertising and we gave work to about 50 or 60 people. Today it has 40 pages and we have twelve people on our berth. I feel that the American situation is largely responsible for this.

I shall not talk about Canadian culture.



I feel that is a battle we lost to the Americans along time ago. Every child knows that Davey Crockett shot himself <sup>a</sup>/b'ar when he was only three, but very few know about the Overlanders who helped open up the west.

Canada used to have a very strong comic business. We should still have a strong comic business because good comics bring history alive for the youngsters. There are 250 comics on sale today, and everyone of them is American. The last of the Canadian comics died in 1919 after the publisher lost \$50,000.00.

I do not feel we should get rid of American magazines, not at all. I feel they have a national place here and that they are here to stay. I do feel that something should be done about them and something very, very soon, before we have no magazines at all. For example, we are facing what is known as the "split run edition". American magazines are now offering Canadian advertisers in the Eastern Seaboard special rates. Canada for practical purposes is considered another state. Many Canadian advertisers are buying in eastern states at a rate of probably 20 per cent.



of  
It is a rate/probably twenty per cent. It is pro rata  
of the total circulation, probably 20 per cent of the  
total American circulation.

In the Saturday Evening Post and Holiday,  
and so on ad infinitum, they will all offer to these  
split runs, and we are losing more and more business  
to these types of things. Something is happening.  
All Canadian distributors here are finding that  
the American firms for whom they distribute are  
telling them that on the percentage of magazines which  
they use in the United States come into Canada, they  
are going to be charged this amount. In other words,  
this is \$30,000.00 a page in the United States and  
there is a percentage of advertising distribution  
in Canada here to warrant \$3,000.00; then, the  
Canadian distributor is charged \$3,000.00. This  
may be his total advertising budget. Therefore,  
he has no money left to put in Canadian magazines  
whatsoever. We come across this all the time.

I shan't speak at any length on the  
trade field, although I am formerly with Maclean-  
Hunter. There are six trade magazines of  
U.S. variety coming into this country and this is  
only the beginning. Some magazines such as  
Newsweek, I understand, put an insert from Minnesota  
Mining and Smelting with Canadian addresses. The  
inserts, obviously, appear only in the Canadian  
edition. That is something which could be done





very easily. It costs nothing to put an insert into an American magazine and then distribute the magazine in Canada. That is the simplest thing in the world. The cost is very small; yet, this sort of thing obviously takes many dollars away from Canadian advertisers. I would suggest that were we to overcome this, I have given considerable thought on now this problem may be overcome. It is not so easy, though. We have been in business for 61 years, and during that time our firm, our employers have paid out thousands of dollars in taxes -- corporate taxes, business taxes, unemployment, income taxes of all kinds and, yet, the American publications have infinitely more publications who do not spend a penny in Canada. I would suggest that it is very simple for a magazine at 25,000 circulation in Canada to figure out what his total tax costs are -- how much we pay the government. For example, say we pay the government \$5,000.00 a year. We can make a scale up for the magazine in Canada -- 25,000 circulation, paid \$5,000.00 a year; on a magazine of 50,000 circulation in Canada pays \$6,000.00 or \$7,000.00 a year. Let us charge the American publications on the same tax ratio. A magazine would merely go to Ottawa and say "Now, we are going to export this title into Canada. We are going to have 25,000 approximate circulation a month. How much do we have to pay?". The



Canadian government says "If you were in Canada, you would pay \$5,000.00 a year. Your tax is \$5,000.00 a year. In the event that at the end of the year, according to the A.B.C. figure, you have exported 30,000, 40,000, or 50,000 copies per month, you would just pay an additional fee, the same as every Canadian magazine has to deposit at the post office enough money to more than guarantee its postage bill each month." It would merely require the American publications to pay a deposit with Ottawa on a tax basis and on the Canadian publications to put on the cover what their intended circulation is.

One of the evils that there is in the United States now -- it is not yet in Canada -- is what is known as the one-shot publisher. This chap gets an idea for a magazine. It might be a photographic. It might be any kind of publication. He will publish, say, three or four hundred thousand. He will distribute them in the United States. After this is done, he will put a December dateline on the thing, or maybe November, if he is conservative. What will happen? He will sell this magazine in the United States for maybe six weeks. He finds that it is only going fair. He has an excess hundred thousand circulation, so, he dumps them in Canada. Canada has more magazines dumped in here than any other country in the world. I think



the only sin of Canada, magazine-wise, is that we speak the same language as the Americans. If we spoke some other language, we would have an extremely strong national press. We would be exporting magazines all over the world. In Germany, France and England there would be Canadian magazines that would be read as well, or in addition to American publications. But, Canadian publications cannot get enough circulation, because of the inflow of American magazines, to justify going abroad, except in very rare cases.

Now, on the subject of Canadian editions, which is growing all the time, I would suggest that they follow the example of Reader's Digest; that a law be passed to ensure that they be printed in Canada. Now, they would, obviously, be paying their own share of taxes right there. There would be no need to pay any special taxes, such as may be paid by the incoming publications. They would pay taxes as they operate, the same as any other Canadian publisher pays. However, I would suggest that not only would type be set here, to eliminate shipping the plates as was done in 1939, when True Story and various movie magazines were printed up at Harpell Press. I believe in those days the plates were shipped in and not too much was gained. I would suggest that until Canadian editions of American magazines are forced to be



published in Canada, that they set the type here and then a good part of the editorial, including photographs and art work is prepared in Canada. This would give our juniors an opportunity to learn the business, and it would prevent the bright, young minds going over to the United States.

I also suggest, in closing, that a whole program of education is necessary in the business end of Canada. For example, we have here a full page advertisement published by Dominion Foundry, an American magazine. It says here in bold type: "Before you buy, ask 'Is it made in Canada?'" Thank you.

COMMISSIONER JOHNSTON: Is this the one? (showing). Or, is this a photostat? I have been saving this for weeks.

THE CHAIRMAN: Do you want to read this into the record?

MR. COOKE: I would like to, yes, sir.

THE CHAIRMAN: You had better read it in. Is it long?

MR. COOKE: You are referring to the advertisement?

COMMISSIONER JOHNSTON: No -- your brief. Have we covered all the points?

MR. COOKE: I have covered all the points.

THE CHAIRMAN: We will file the brief then.





COMMISSIONER JOHNSTON: You mentioned pre-dating magazines. Don't you do the same?

MR. COOKE: I beg your pardon, sir?

COMMISSIONER JOHNSTON: I am asking you about pre-dating magazines. Don't you do the same?

MR. COOKE: Not to the extent that the American publications do, no.

COMMISSIONER JOHNSTON: Well, this issue we have here is dated May. Is that next May?

MR. COOKE: No, sir. That was last May.

COMMISSIONER JOHNSTON: You mentioned 42 pages. This is 50 pages. Is this your big issue -- May?

MR. COOKE: It is one of our good issues, yes.

COMMISSIONER JOHNSTON: When do you get out the May issue -- the middle of April?

MR. COOKE: Let us say the January issue is on the press. Tomorrow it goes on the press.

COMMISSIONER JOHNSTON: You do pre-date it?

MR. COOKE: Well, you have to pre-date to allow for -- It takes ten or twelve days to print a magazine. You have to pre-date, from our end, at least two weeks and when the customer gets it, it is usually the month in which it is dated that he receives it. He would get the January issue on the 5th of January.



COMMISSIONER JOHNSTON: The Financial Post is dated Saturday. You get it the previous Thursday on the newsstand.

MR. COOKE: It is possible, yes. I am quibbling with two month's pre-dating -- not two days or a week.

COMMISSIONER JOHNSTON: I understand some French publications come in here that are not dated at all?

MR. COOKE: I doubt whether they would get by the Post Office in Ottawa. They are very strict about that.

COMMISSIONER JOHNSTON: You mentioned that magazines mailed from the United States, individual copies, have to be in wrappers?

MR. COOKE: Yes, they have to be. Let me qualify that by saying either they have to be in wrappers, or they have to have a stamp on the cover, but it is much more feasible for you to put a wrapper on and put a stamp on the wrapper, than to put a stamp on the publication itself.

COMMISSIONER JOHNSTON: A postage stamp?

MR. COOKE: A postage stamp, say, for example.

COMMISSIONER JOHNSTON: I get Newsweek. It comes with the address on the cover somewhere. There is no wrapper on it.

MR. COOKE: There will be a stamp printed



on it.

COMMISSIONER JOHNSTON: The Newsweek people were here this morning. We neglected to ask them about their insert. Can they, by a simple change of address -- you mentioned Minnesota Mining..?

MR. COOKE: That is correct. I do not know whether this same insert would appear in the United States, in the American press, or whether it would appear only in Canada, in the Canadian press. I rather suspect that it would appear only in Canada.

COMMISSIONER JOHNSTON: I rather suspect the opposite, that it is just a change of address.

MR. COOKE: I would say that the American magazines will do things in Canada that they cannot get away with in the United States. For example,

an advertiser paying \$30,000.00 or \$40,000.00 for a facing page, would not wish to have an insert facing that, where a Canadian advertiser may be forced to accept it.

THE CHAIRMAN: Who would force him?

MR. COOKE: The advertising agency is the ruler, of course, in the magazine industry and they state what they want.

THE CHAIRMAN: It is his choice. Surely, nobody forces him to do anything?

MR. COOKE: No.

THE CHAIRMAN: So, a Canadian is in no



different position than an American. He may have a better chance of getting a better position, but nobody forces him to do something in Canada. I think in making these comparisons, we ought to be as fair and as accurate as possible. The suggestion here, apparently, is that somebody in Canada is forced to do something which the same person would not be forced to do in the United States.

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MR. COOKE: I would say there is not as much money at stake. In other words, if you are paying only a small amount for an advertisement you would not have the same situation as if you were paying \$30,000.

THE CHAIRMAN: That is nothing to do with government. There is no law for this?

MR. COOKE: No.

THE CHAIRMAN: We are talking about individual practices, individual circumstances; this is one thing. Now we are are dealing with two countries. Let us not make comparisons that will be misinterpreted or misunderstood.

MR. COOKE: No, I was answering the question put by the Commissioner about the insert in the United States. I said that the Americans are not partial to inserts, but the Canadian advertisers will accept them. That is the point I wished to make.

COMMISSIONER BEAUBIEN: We were talking about pre-dating magazines. Would you say that that was the general practice in the States -- to pre-date magazines?

MR. COOKE: I would say that it was the practice of the less influential publications, the publications that did not have too much demand but which wanted to have as many copies on the newsstands as possible and sell as many copies as possible.

COMMISSIONER BEAUBIEN: That would not

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be true of Time?

MR. COOKE: No.

COMMISSIONER BEAUBIEN: Not important magazines?

MR. COOKE: No, but nevertheless these take up space on the newsstands at the expense of Canadian magazines.

COMMISSIONER JOHNSTON: Time is pre-dated several days.

MR. COOKE: Yes, pre-dated merely by a week.

THE CHAIRMAN: No more pre-dated than Saturday Night, it is less pre-dated.

MR. COOKE: When I mentioned the pre-dating I was talking of one-shot publications published possibly in July and having an October or November dateline.

THE CHAIRMAN: But Saturday Evening Post for example -- is it more pre-dated than Macleans? I doubt this very much. I know American magazines are pre-dated but are they more pre-dated than similar magazines in Canada? I doubt this very much. If you are talking about a one-shot magazine, that is something else entirely; we are talking about periodicals. A one-shot magazine is not a periodical.

MR. COOKE: It is classified by the Post Office in such a way, I understand. They have pretty well the same regulations here.



COMMISSIONER BEAUBIEN: One last question.

Do you really believe -- or maybe I misunderstood you -- that there is a nefarious plot on the part of American publishers to take over the Canadian market or would you say they are just trying to do it for good business reasons?

MR. COOKE: I think the American businessmen are very smart. Do not get me wrong; some of my best friends are Americans. They are much smarter than the Canadian businessman. This is not a pre-conceived plot, a thought-up plot, it is just a natural sequence of events, just the way it has happened to be. We can look back on the past ten years and see the inroads the American press has made in Canada. The dailies have not been hurt to any extent. We still have 110 or 115 dailies. This trend continues. There is no reason why some American papers cannot put out Canadian editions here.

COMMISSIONER BEAUBIEN: This would be normal business practice?

MR. COOKE: If you want to accept it as such.

THE CHAIRMAN: Thank you very much for your submission.

---EXHIBIT NO. M-18:

Brief of Ronald J. Cooke,  
publisher of Rod and Gun  
magazine and the French  
edition Au Grand Air.



---EXHIBIT NO. M-19:

Photostat of Business  
Reply cards and list of  
United States publications  
enjoying mailing in Canada  
privileges.





---On resuming at 3:50 p.m.

MR. PITFIELD: Mr. Shea has not submitted a written brief. Would you please identify yourself, sir.

MR. SHEA: Mr. Chairman, fellow Commissioners my name is Albert Shea. I am a researcher and a writer.

SUBMISSION BY ALBERT SHEA:

MR. SHEA: I would apologize for not having a written submission and I would thank you for the privilege of hearing me on short notice. I have been travelling for most of the past month and this has prevented me from sitting down quietly and putting some of these thoughts on paper but there are some questions with which your Commission is concerned which I would like to discuss briefly.

The various media of communications presents themselves to the Canadian public either through the eye or the ear or both. You are concerned with periodicals. I noticed a picture in the press of the Commissioners standing in front of a newsstand and to me the real test of the Canadian dilemma exists when you go and study the newsstands.

You can spend a fair amount of time in front of a newsstand trying to discover even one Canadian publication. If we were to go down to the lobby of the Queen Elizabeth Hotel,



where they have an excellent newsstand, and study the wide range of publications there, we would find that a very small portion of the space -- I would venture to say less than 10 per cent of the space and perhaps less than 5 per cent of the space -- was devoted to Canadian publications; created, originated, written, published in Canada for the Canadian public.

Just as a matter of suggestion, if we were possibly to segregate the Canadian publications on the stand -- if we were to put in a Canadiana Section on the newsstand, put Canadian publications in one place and head it up "Canadiana" I think that the Canadian public would be rather shocked to discover how very few really Canadian publications there are and how the Canadian publications are lost and dwarfed by the influx of other excellent publications.

We have no quarrel with the merits of many of the incoming publications but I think we are being swamped in the waves of publications which reach us from other countries.

One of the problems, I believe, is in the distribution of publications and if you have ever had the experience of trying in various parts of Canada to locate a copy of the Canadian Forum, which is a truly Canadian publication, I think it would give you a good example of the nature of our problem.



The people who put the magazines on the stands handle certain publications because they sell in large volume and because there is a profit to be made in distributing those in newsstands across the country; but I think a worthy publication, like Canadian Forum, cannot get these people to handle their magazine because there is no profit in it and you are involved immediately in a chicken and egg proposition.

How do you increase the distribution and circulation of the Canadian Forum if you can't get it on Canadian newsstands?

If the average Canadian reader, unhappily in many cases, has never heard of the Canadian Forum, if he doesn't get a chance to pick one up and glance through it; if he is going to invest half a dollar in the purchase of this magazine, how does he ever become exposed to a Canadian magazine?

Now, in other Royal Commissions, there has been talk of the duty of the broadcaster, the duty of the editor and perhaps the distributor has a duty to make available to the person who comes to a newsstand the opportunity of examining Canadian publications. Tamarack Review was mentioned this morning. It should be on every newsstand across Canada even if there is no profit to be made; even if it is a public service on the part of the distributor. The Tamarack Review should be available on display, prominently displayed and



the same should be true for the Canadian Forum as well as the better known Canadian publications such as Macleans and Liberty and Saturday night and the others.

I think the distributor has a public responsibility which, so far, has never been requested of him. He has never been asked specifically as a matter of public responsibility to display Canadian publications.

I think this request should be made to the distributors, that they give the Canadian publications a break, even if there is no great profit to be gained. I know you are concerned primarily with periodicals but the same applies very much in the field of the pocket book. There are good Canadian pocket books but you will never find them in a drug store. You will never find them in the cigar store because these distributors are just not interested in handling the small volume of Canadian publications.

Again I say I think the distributor should be requested as a public service that in these racks in which there appears these thousands and thousands of pocket books, there should be some Canadian pocket books. I speak with some feeling because one of my recent books is now in pocket book form.

THE CHAIRMAN: Mr. Shea, requested by whom?





MR. SHEA: Perhaps yourself, sir.

THE CHAIRMAN: If the request were not granted --?

MR. SHEA: If the request were not granted, I would be surprised, I think as responsible Canadian businessmen they would be inclined to agree with the suggestion and do something about it.

As a matter of fact a pocket book, with which I have some acquaintance, has sold 10,000 copies which, in Canada, is considered a very good sale. You cannot find it in the cigar stand or you cannot find it in the drug store. I feel very much if these pocket books were available wherever people buy pocket books, they wouldn't sell only 10,000; they would sell 20 or 25,000.

Therefore, I feel that Canadian publications are not exposed to the Canadian public. I think in all fairness we should ask that this privilege be granted to the public, but they should be allowed to look at Canadian periodicals and Canadian pocket books on the newsstands, in the drug store, in the cigar store and this is where these publications are being sold today in the greatest quantities.

If I could turn for a moment from the domestic scene to the world at large -- there was some discussion this morning of magazines which reached many parts of the world. We have some Canadian magazines of excellent quality and I feel that again the Canadian publisher shares with many



Canadian manufacturers in the lack of initiative  
to go out after world business.

It seems to me pretty well an established  
fact that trade follows the printed word.



There is great concern today in Ottawa that we increase our foreign trade, and the Minister of Trade and Commerce assembled all our Trade Commissioners and they are having talks with Canadian businessmen. We know, for example, that Latin American is a market that needs development and where Canada could presumably sell goods. There are quite a few people in Latin America that speak English and read English. If we were to make an effort to make Macleans magazine, Canadian Forum, Canadian Home, Chatelaine, some of these bigger magazines, mass consumption magazines available on the newsstands in Mexico City and Havana and all the other cities of Latin America, the major cities, we would sell some magazines, and as a result of selling some magazines these people would read about Canadian products. Having read about Canadian products they might be inclined to want to buy these products. I think it is true that trade follows the printed word. If we will send our Canadian printed word out into the world, not only will we make friends. we will win friends for Canadian businesses and Canadian products.

May I go back a good many years, Mr. Chairman. Although I haven't had a chance to prepare a formal brief the subject is very much in my mind. I would like to add a final word: That is, the problem which we face is really a problem to some extent of language. The fact is that



a great majority of the people in Canada speak and read English, and it so happens that the prevailing language in the United States is English. Now, no doubt, you have heard some discussion to the effect that the French-speaking population of Canada are not quite so concerned with the problem of your Commission. They are shielded by the protection of a separate language. Is there any answer to this? I hope I may be permitted to deviate by suggesting that Ireland found a solution. They rejected the English language and they built themselves a shield to protect their nationality. The people of Israel did the same thing by revising the language of Hebrew and it was the bulwark to them in creating a nation and a state of their own, when they spoke in unique and separate language that was entirely their own.

Is there a solution for Canada? Well, I on one occasion this summer was in a discussion where the problem of Canadian, American relations was being bandied back and forth. I raised the question that there is a spoken Eskimo language, and thanks to the efforts of the missionaries it is now available in written form. The Bible has been translated into written Eskimo. Mr. Chairman, it is possible if we were all to agree to speak the Eskimo language we would have protection against this flood of material that comes by radio, television, newspaper and magazines from





across the close border and inundates us so we hardly know whether we are a people or not. I realize, sir, this presents certain problems, but I leave it with you for consideration.

COMMISSIONER JOHNSTON: I suggest you and Chairman O'Leary get together and discuss this matter in Gaelic. Seriously, how would you expect the newsstand proprietor who, after all, is in business, regularly to stock the Canadian Forum?

MR. SHEA: Well, there are a lot of us in the business and we do many things in the course of our daily work that do not necessarily pay off in dollars and cents. I think the problem exists, not with the newsstand operator, but with the distributor. He is the man that brings the bundles of magazines in. If he does not bring in any Canadian Forums, if they are not put up they are not sold. All magazines are returnable. If he put up three Canadian Forums and one was sold that would pay.

COMMISSIONER JOHNSTON: How often do you see a magazine like the Atlantic Monthly on a newsstand?

MR. SHEA: Regularly, downstairs, in the major newsstands.

COMMISSIONER JOHNSTON: But the great majority of newsstands would not carry the Atlantic Monthly except on order?

MR. SHEA: I agree with you, sir.



I would say it is in a number of newsstands, good newsstands, the Queen Elizabeth, the Mount Royal, all the major newsstands. They don't have the Canadian Forum. They have the Economist from London. They have all the good worthy magazines, but they don't have the Canadian Forum.

COMMISSIONER JOHNSTON: Don't you think it has something to do with the management of the Canadian Forum?

MR. SHEA: Sir, I was associated at one time with the Canadian Forum. I can tell you they tried, they tried to get distribution, and they died in their effort. I think that they have a pretty good magazine there.

THE CHAIRMAN: Is it not true it is on some newsstands? I have bought it at Canadian newsstands?

MR. SHEA: Mr. Roher's in Toronto used to have a few copies in. I think in all Canada there may be three newsstands that carry the Canadian Forum.

THE CHAIRMAN: Do you think it would be sold if it was on the newsstand?

MR. SHEA: My point, sir, is exposure, I think has a great importance.

THE CHAIRMAN: Yes, you would. That does not go for all of them. I am thinking of the London Spectator.

MR. SHEA: Yes.



THE CHAIRMAN: You know it is a good magazine. It circulates in the whole of the British Commonwealth and in the United Kingdom, a very literate population, 50 million people. Do you happen to know what its circulation is?

MR. SHEA: I suppose, well, under 150,000.

THE CHAIRMAN: 150,000 -- would you take 109,000 out. It has just slightly over 45,000. It is exposed all over London and every city in the United Kingdom. People do not buy it. When you spoke of the Forum, I am sure you know that the Forum had one deficit after another for years, and incidentally that deficit was taken up by a good capitalist who paid it. I am sure you know who he was.

MR. SHEA: Yes.

THE CHAIRMAN: So, just to say that the trouble is that the Forum does not get any exposure and if it got it it would have better sales and no deficit -- I don't think this follows. Let me ask you this question: You spoke of Canadian publications. How would you define a purely Canadian publication? Or, let us put it another way, how would you define a non-Canadian publication?

MR. SHEA: I would prefer to attempt the first definition.

THE CHAIRMAN: Try the first one, if you please.

MR. SHEA: It should have an office in



Canada where there is an editor who lives in Canada. The contributions should come basically from people who are living in Canadian environment. It should be assembled, edited in Canada. It should be printed on a Canadian press and that would be, I would think, a Canadian publication.

THE CHAIRMAN: Should it be owned and controlled in Canada?

MR. SHEA: I would prefer it should be, but not necessarily.

COMMISSIONER JOHNSTON: As long as it is edited in Canada?

THE CHAIRMAN: And its editorial policy and editorial content are formed in Canada by Canadians?

MR. SHEA: I would think so.

THE CHAIRMAN: Mr. Beaubien, any questions?

COMMISSIONER BEAUBIEN: No.

THE CHAIRMAN: Thank you very much, Mr. Shea. We will adjourn until 10:30 tomorrow morning.

---Whereupon the hearing adjourned to 10:30, a.m.,  
December 8th, 1960.

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SUBMISSION OF CORNEL LUMIERE

EXHIBIT NO. M-21: Brief of Mr. Cornel  
Lumiere.

Not enough praise can be given for the most stimulating influence the work of the Commission has on public thinking regarding Canadian Publications and writing.

As a free lance writer in two languages and author of several books, may I stress an angle which I have not seen covered in press reports about the hearings:

To protect Canadian publications, to preserve our Canadian culture and character it would seem logical to conclude that we must first and most protect the Canadian author.

Except for some writers such as MacLennan, Mowatt, Berton, Moore and a few others, the average Canadian writer is the most underpaid citizen of this nation.

The debt owed by the Canadian public -- and government -- to the writers and authors of this country is sufficiently great to warrant immediate and constant action at government level.

May I respectfully submit for consideration some ways in which suitable support could be given:

(a) An incentive to publishers (income



tax or sales tax wise, etc.) to reduce cost of publication of works by the Canadian author. By virtue of a bilingual market Canada has a specific problem, imposing tremendous added risk to the publishers in both languages and the government can and should assist them.

(b) Better knowledge of Canadian authors would be assured if some similar cost reduction incentive to publishers were given for the translation of English language Canadian books into French and vice versa; this would assure a unification of our two markets.

(c) Study the possibility of the purchase by the Department of Education for all school libraries of such books as it deems suitable. This measure would make it possible for a publisher to accept a number of meritorious books by Canadian authors now rejected because of a lack of assured sales.

(d) A campaign to reward Canadian writers, through extension of the present few prizes offered for literature. All universities, many other schools, some large corporations and affluent individuals might offer prizes for best



novel of the year, best children's book, first novel published, best poetry, best TV and radio drama, best work by new Canadian author of the year, etc.

(e) Some pressure on Canadian magazines (who themselves are clamouring for your support) to give more consideration and space to the deserving Canadian writer.

As an example Weekend Magazine brings out 52 book condensations per annum, read by some three million Canadians or more. These condensations are not -- as a rule -- by Canadian authors, nor are they from the world's best selling lists. They are generally of most mediocre merit and simply published because some syndicated service south of the border submits the lot at any easy rate and in an easy package. The obligation of such a publication as Weekend towards its Canadian readers was not stretched as much by its charming and able Mr. Ballantyne as the Canadian Government's duty to protect it against such competition from south of the border as it fears.

Any measure which may make writing a creditable and profitable profession to Canadians merits the closest possible study.



SUBMISSION OF HERBERT STEINHOUSE,  
WRITER AND BROADCASTER OF MONTREAL

EXHIBIT NO. 22: Brief of Herbert Steinhouse.

My personal views on the subject at hand are well summarized in the statement contained in the report to the Committee of the Privy Council from the Prime Minister:

"That Canadian magazines and periodicals add to the richness and variety of Canadian life and are essential to the culture and unity of Canada." --

as well as in the allegation noted in the same report:

"...because of the inequitable competition from foreign periodicals of various forms, the publication of Canadian magazines has been prejudicially affected."

To set this brief summary in a larger and more specific context, I feel I can do no better than to quote from a recent article in Maclean's Magazine, 5 November, 1960, by Mr. Hugh MacLennan. Mr. MacLennan's viewpoint is set down under the heading: "It's the U.S. or us", and deals with "the Americanization of Canada -- the swamping of our national purpose by that of the United States, and of our habits by a state of mind totally American." The following extracts from this





article, which I endorse unreservedly, are especially germane to the work of the Commission, and should be read into the record.

(a) "What is happening to Canada is merely this: she is becoming, at least on the popular level, a mental and spiritual colony of the United States (author's emphasis): a conditioned-reflex colony of that cluster of ideas, values, habits and thought-patterns called.... the American Way of Life."

(b) "It would take political leadership of a truly heroic and brilliant sort to combat the propaganda theme that has been pounded into us ever since the war. To think other than Americans do in economics and social values -- why, if a man does that he is an egghead....."

(c) "Why indeed should any American care who makes our (laws) when he sees the newsstand in his Canadian hotel, or visits our homes and looks at our choice of television programs? Most astonishing of all must appear to Americans the phenomom of the 'Canadian Editions' of some of their own most strident national journals. These emissaries of the Way of Life set themselves up



here as native publications, and week after week they import into this country, absolutely free, an editorial content as 100 per cent American as Pravda's is 100 per cent Russian."

(d) "Why do we take so many of our opinions ready-made from the States? Simply because the American opinion industries were highly developed at a time when we had virtually none of our own. It was easier for our salesmen to accept American hand-me-downs than develop techniques more in the character of the Canadian people.

Why do we accept so much of their sleaziest entertainment? Because they offer it at cut rates and if we accept it we are saved the effort of developing our own.

Why did we sell out our national resources in such a hurry? Because it was easier to get rich that way than to undergo the slower process of developing these resources, at least in part, by ourselves.

Well, we got pretty rich pretty fast, but does wealth assure us that we are going to have much hope of fulfilling



our destiny as a nation, which we certainly cannot do so long as we believe that our prosperity depends on our becoming cheap copies of our neighbours?"

(e) "...this country as a whole must foster and protect her own national voices, and give them a chance to survive against the huge brass band of American salesmanship that we import duty-free into the country.... All native activities that foster a resistance to Madison Avenue -- art, literature, education, magazines, radio, television, motion pictures -- these should deliberately, wherever possible, divorce themselves from American mass models no matter how loudly the advertisers scream."

### PROPOSALS

To serve the aims explicitly stated above, I would urge that the following be included among the various measures that may be taken to protect and develop a genuinely Canadian periodical press. I outline each of my suggestions as briefly as possible, without going into detail or modalities of operation.

1. That a special Federal tax be levied on the advertising revenue, and a further tax on the profits, of all magazines and periodicals published



in Canada, including the so-called "canadian Editions" of foreign periodicals, but with an exemption for all magazines able to demonstrate that they averaged more than 55 per cent Canadian content in their published editorial material in the course of the preceding fiscal year. The criteria for Canadian content would be determined by a Board of Magazine Governors (see below, 4a) whose functions in this regard would approximate those of the Board of Broadcast Governors in the broadcasting media.

2. That periodicals which attain or surpass the target of 55 per cent Canadian content in their published editorial material qualify for a federal subsidy equal to the total cost of production and distribution of all issues distributed outside the country. Such foreign distribution should also receive the widest moral and practical encouragement from the government, and Canadian government offices abroad should be instructed to act as business agents for all such qualifying magazines, displaying them prominently, publicizing them and accepting subscriptions and payments on their behalf, including payments in Unesco coupons or local currency in soft-currency areas.

3. That present restrictions imposed by some provinces on such categories as liquor advertisements, which presently may reduce





advertising revenue and serve to hold some of our magazines up to ridicule, be abolished.

4. That a national panel of advisors be formed, its members to be Canadians, to number at least one hundred, and to be drawn from such diverse fields as higher education, journalism, Canadian-owned industries, and trade unions, the arts and sciences, and from the advertising profession. Each panel member should have important status in his own field and should also be noted for his past contributions to, and concern for, this country, its welfare and its interestes. Service might be on a rotation basis. The panel would:

- (a) elect from its own ranks a Board of Magazine Governors, whose salaries and operating expenses would be borne by the federal government.
- (b) define, with the approval of parliament, the Board's terms of reference and modalities of operation.
- (c) assist the Board in defining the criteria for Canadian content of magazines and periodicals, and in adjudicating on individual disputes in this area should the need arise.
- (d) help the Board to establish a merit system for Canadian publications, and then all panel members would vote annually



as a jury, by mail, to accord the publications in their respective categories a relative grading, awarding points for, above all:

i: the overall quality of the magazine.

ii: the quality of the magazine's creative fiction, poetry and articles by Canadian writers; the quality of Canadian-oriented news and feature content; the quality of material on Canadian themes, or of direct value to Canadians written by non-Canadians.

iii: the encouragement by a magazine to Canadian fine and graphic artists and to photographers; the quality of reproduction and art work.

iv: The value of a magazine as a medium for popularizing in Canada the natural sciences, medicine and technology.

v: The general contribution of a magazine towards a better understanding of this land and people, their past, present and future, their diversity, problems and achievements.

(f) advise annually, through the Board of Magazine Governors, the Postmaster General of the results of this grading.

5. g That the principal winners within each

1910

1911

1912

1913

1914

1915

1916

1917

1918

1919

1920

1921

1922

1923

1924

1925

1926

1927

1928

1929

main category of Canadian periodicals, selected as a result of the above voting, be accorded by the Post Office special privileges in their mailing costs, on a sliding scale ranging from substantial reductions in postage to, in the case of the meritorious magazines with little or not advertising revenue (such as the so-called "little magazines"), a free mailing franchise.

That the Board of Magazine Governors operate in close consultation with the Canada Council and its relevant advisory panels, to avoid overlapping of functions, but that neither the special mailing privileges obtained through the B.M.G. - directed annual competition nor the federal subsidy designed as compensation for export costs be construed as alternatives replacing the special grants awarded Canadian periodicals by the Canada Council.

7. That, as a measure designed to encourage the printing of magazines in Canada, and thus help to bolster the presently threatened position of the Canadian printing industry in both English and French Canada, an import duty belevied on those foreign publications which enter Canada, singly or in bulk, in large volume. A Canadian circulation of thirty thousand copies might serve as the base figure, above which the said import duty would be applied.

8. That the revenue derived from the above import duty, from the special Federal Tax advertising revenue (see above 1) and from the



the profits tax (see above 1) be used in the following ways:

- i: to help compensate the Post Office for its present losses incurred in delivering periodicals mailed from abroad. In this manner, it might be said, the import duty levied against the few giant magazines, and the other taxes, would prove a positive and practical measure for aiding the distribution of a wide range of foreign periodicals. Rather than representing any obstacle to the free-flow of informational media, as will be alleged, these taxes and duties would be a direct asset to such a free-flow, with the discriminated against few helping the many and so better serving the ideal of press freedom.
- ii: to help compensate the Post Office for the special mailing privileges and franchises it will accord certain Canadian magazines.
- iii: to pay the salaries and operational expenses of the Board of Magazine Governors.
- iv: To help subsidize the export costs of Canadian magazines and periodicals (see above,2).





CONCLUSION:

The above measures should help to make truly Canadian periodicals more economically viable and increase their circulation and influence at home and abroad.

As a result, working for and contributing to these magazines would become correspondingly more attractive and financially rewarding to editors, writers and artists of this country.

Being able to attract and obtain more and better material, Canadian periodicals could become more selective in what they publish and more comprehensive in their content, steadily improve their quality and, consequently, compete more effectively, and on the desirable plane of quality-competition, with periodical invaders from abroad.



SUBMISSION OF JEAN E. SEREISKY:---EXHIBIT NO. M-23:

Brief of Jean E. Sereisky.

We in Canada are deeply concerned today with preservation and promotion of our national culture and heritage. As understanding grows between nations of the world, so it should grow and flourish between the peoples of our country. The Canadian identity is a precious symbol, perhaps not fully appreciated and certainly not fully recognized.

Canadians who are conscious of the need for upholding our traditions and fostering our heritage are aware of the role the periodical press has played in the development of this nation. The periodical press can and does advance understanding and knowledge of Canada in every article that is devoted to a topic about Canadian people, places or things. The periodical press, therefore, should be given every opportunity, in an atmosphere conducive to expansion, to increase its contribution to our country's growth and to an understanding among our people.

As a citizen, as a purchaser and reader of magazines -- and as a writer contributing to Canadian periodicals, I feel strongly that Canada, as a nation, needs, and must have, the benefit of a vigorous, effective and influential periodical press. It is necessary that we have a periodical press which can interpret Canada and Canadians to



our own people....and also (perhaps to a lesser degree) to those in other lands. The Canadian periodical press is the obvious channel for this communication of ideas and information.

The periodical press of no other nation can, or will, interpret Canada successfully for Canadians.

The Canadian business man in Regina should have the opportunity to identify himself with his counterpart in Fredericton. Canadian homemakers, educators, white collar workers and artists, wherever they may be in this vast dominion, must have the chance to identify themselves with other Canadians, to compare, or to contrast skills, outlooks and backgrounds.

It seems to me that there are several standpoints from which the existing condition of the periodical press must be examined: --

- (a) that of the industry itself
- (b) that of the reader served
- (c) that of the writer seeking a market
- (d) that of the nation concerned with protection of its identity.

I have set down these points not necessarily in order of importance. They are of equal concern, and they form individual parts of the whole problem.

, I contend that it is evident the industry is of value to Canada.

Are there problems facing the industry as a consequence of foreign competition? The



fact that these hearings are being held is proof that a substantial body of responsible Canadian opinion is concerned and believes such problems do exist.

Are there readers in Canada for periodical magazines and newspapers -- many of a specialist nature -- printed in Canada, financed by Canadians, edited by Canadians and featuring the work of Canadians? I know that in many homes, plants and offices which I visit I find Canadian periodical publications. They appear to be read and to offer a genuine service to the reader. There is an apparent demand and an obvious readership.

The Canadian writer looks to Canada to provide him or her with readers. All Canadian writers are aware that Canadian national outlets are limited now. United States ownership, or control, would sharply reduce the number of outlets for the Canadian writer. It would be, for most, the end of opportunity. Canadian writers would face a bleak prospect if our periodical press dwindled in strength and quantity and eventually fell completely under foreign domination. I do not care to contemplate a future in which I could not write about and for Canadians...a future in which I would have to strive to sell Canada in a foreign market that obviously will be interested in only a limited quantity of material devoted to people and things in which I -- and other Canadians -- have a deep and personal concern.





Is the nation concerned with a Canadian national identity? We know...all of us...that few questions are of more interest to Canadians. Look at the number of people who write proposed new national anthems. Think of the many suggestions for a national flag. Consider the constant preoccupation of thoughtful citizens with the relationship between our English and French-speaking citizens. The nation is interested. However, concern is not enough. There must be deliberate action to provide encouragement to efficient instruments for cementing a true Canadianism.

It is my opinion that the wide circulation in Canada of foreign periodicals -- and I speak in particular of those printed in the United States -- undermines the role the Canadian periodical press plays today. Because of what I believe to be unfair competition from foreign magazines, the influence of the Canadian periodical press is being reduced -- to the harm of the nation. I contend that it is the people of Canada who are -- and who increasingly will be -- the losers.

The periodical press of Canada is a national industry. As such, it should be granted by the government of Canada protection in the same manner in which the Canadian automotive, textile and coal industries, for example, are protected. I am not an economist, nor a tax expert ... but I suggest that a tax imposed on foreign periodicals, particularly



those heavy-circulation publications printed in the United States (or on advertising in those periodicals), would serve to give fair protection to our own vitally important periodical press.

If there is a sound basis for imposing taxes on imported foreign cars to assist the automotive industry, then I wonder why it is not as practical -- and perhaps even more desirable -- to place a tax on magazine imports (or advertising in such magazines).

It is my understanding that our periodical press is, to a very great extent, still owned and controlled in Canada. Aware as we are of the heavy investment of foreign capital in other Canadian industries, it seems doubly important to protect mass media of the periodical kind to keep it completely a Canadian influence.

The printed word is a powerful weapon which can foster a Canadian identity. On the other hand it can weaken our national feeling -- according to the purpose and direction of those who control distribution of the word.

There has been, of recent years, a great deal of discussion about Canadians being brainwashed by the influence of American mass media. I, for one, am not qualified to say to what extent this may be true. But the mere belief that such a situation could, or does, exist is enough to convince me that our periodical press needs defence from



outside competition. Government taxation of foreign magazines entering Canada would counteract any tendency toward too great an influence by imported periodicals in our country.

The purpose of the periodical press is to entertain ... to inform ... to educate ... to amuse ... and to interest the reader. If an individual publication fails to accomplish these ends then it cannot survive ... much the same as a merchant who consistently loses revenue because some phase of his business operation is unsound will eventually shut his doors for good.

Blanketing of the Canadian market by foreign periodicals because of a failure to safeguard a native industry which is striving to fulfill such purposes as educating, informing and entertaining must mean a forfeiture of the stimulus afforded our national heritage by the periodical press -- a strong champion of Canadianism.

The Canadian Women's Press Club, of which I am New Brunswick director, has several hundred members -- dozens of whom, through the periodical press, have brought to readers stories about people and places in Canada which otherwise would have been confined to a limited area. I am sure that those members of the C.W.P.C. who contribute to the periodical press ... and others as well, agree that it is of vital importance that the regions and the people of our country continue to become better



known through this media.

If a plumber in Moose Jaw, for instance, wants to know what his opposite number in Montreal is doing, he can find out by reading a Canadian trade publication. A Canadian home-maker who is interested in education can find significant trends described in a national consumer publication.

As a writer, it is a challenging and exciting experience for me to portray some aspect of life in Canada in an article aimed at Canadian interests. I am a Canadian and a Maritimer. I write about Canada and about the Maritimes. It is the Canadian periodical press which makes it possible for me to do this. The periodical press makes available to a writer living in Canada the opportunity to write and to be published in a Canadian business or consumer magazine. In this way, conditions, customs and beliefs can and are being presented from regional or national outlooks that reflect many phases of our way of life. These attitudes must find expression if we are to continue to develop understanding and respect among our citizens. Through the Canadian periodical press we can help guard our Canadian democracy.

One does not go to Spain to learn about life in France. Similarly, one should not expect to find Canada's culture and interests best portrayed in a foreign periodical. The consumer magazines published here ... the business newspapers





that are read from British Columbia to Newfoundland ... are interested in Canada and in Canadians. They give to Canadians an excellent means of acquiring knowledge about facets of Canadian life, not otherwise easily accessible to them.

Canadian periodical publications allow Canadian writers a chance to praise the good things in our country and to criticize those things which are bad.

As a writer and an interested Canadian, I hope that in the findings and recommendations of this Commission a course will be charted which, when followed by those who can take the appropriate measures, will result in a strengthened and invigorated periodical press. Such a press will prosper in a favourable economic climate, assured that its importance is recognized by the leaders and people of our nation.

A flourishing periodical press will repay many, many times the efforts which encourage it to be an even more dynamic Canadian institution. It will result in more opportunity for Canadians; closer inter-linking of Canadians one with another and will provide the strongest possible shield against the undue rise of outside influences which could weaken or dilute our sentiment as Canadians.



SUBMISSION OF RONALDS-FEDERATED LIMITED:---EXHIBIT NO. M-24:

Brief submitted by Ronalds-Federated Limited.

We, as independent printers of publications and many forms of general work of a substantial volume, consider it necessary to place before you our Company's position in regard to the subject matter being considered under the terms of Reference of your Commission.

Our business started 80 years ago and is 99.9 per cent Canadian owned. To make full economic use of the special equipment required for the printing and binding of telephone directories, it has been necessary for us to seek work in the publication field. As many of the Canadian magazines and periodicals operate, in addition to a publishing business, their own printing plants, the volume of this type of work available to us in Canada has been limited. Consequently we have expended much of our efforts to obtain the printing and binding work of the Canadian distribution for American publishers. Therefore it can be readily understood that we are vitally concerned with the possible effect of any discriminatory or oppressive measures that might be recommended.

The Commission in its terms of Reference is charged:

(a) to inquire into and report upon the



recent and present position of and prospects for Canadian magazines and other periodicals with special but not exclusive consideration being given to problems arising from competition with similar publications which are largely or entirely foreign in content;

(b) to make recommendations to the Government as to possible measures which, while consistent with the maintenance of the freedom of the press, would contribute to the further development of a Canadian identity through a genuinely Canadian periodical press.

We hope that in their deliberations The Royal Commission on Publications will differentiate between magazines or periodicals that are:

IMPORTED    Published and printed outside of Canada  
                   Do not carry Canadian advertising

This type of magazine, similar in format and purpose to Canadian magazines considered national in concept, is imported in quantity, and offers serious competition to their Canadian counterpart. This reduces the quantity of Canadian magazines sold and therefore the lower circulation unfavourable affects advertising rates and revenues.

The editorial concept of such foreign magazines is naturally influenced by the current viewpoint in the country of origin, and may conflict with the development of a Canadian culture. Such



magazines contribute little to the Canadian economy, provide no employment for printing or the furnishing of supplies or services essential thereto. Indeed their skillfully worded advertisements, largely directed to the public of the country of origin, subject Canadian readers to a severe and continuous impact to buy abroad.

IMPORTED    Published and printed outside of Canada  
Carry Canadian advertising

Magazines under this classification usually attempt to have segments of their text matter attuned to the Canadian viewpoint and interests. Their advertisements are inducements to their readers to buy in Canada and therefore stimulate the Canadian economy.

At the present time when these magazines are mailed into Canada as second class mail there is no revenue to the Post Office. There is relatively little offsetting revenue from the same type of mailing from Canada into the United States, which results, therefore, in a net loss to the Canadian Postal Services on second class mail. Perhaps some annual adjustment as is now in force with Parcel Post rates would justify consideration.

We hope the recommendations of the Commission will result in some of these magazines, whether they carry Canadian advertising or not, being printed in Canada so that Canadians will obtain more of the economic benefits.





DOMESTIC Published and printed in Canada  
(Using mainly world wide material)

Carry Canadian advertising

The Reader's Digest Canadian editions come under this category. We have been printing these editions for them since 1943 at which time it had a subscription list of hundreds of thousands of Canadian readers. Its articles on art, science, politics and general subjects were and still are of the highest calibre. This broad field of knowledge on a world scale has had a profound cultural and educational impact in the highest sense on its readers.. From the steadily increasing demand it would appear that in these days of a shrinking world and mounting tensions such articles of general interest selected from many countries and written on such high standards appeal to more and more thoughtful Canadians. It is evident The Reader's Digest, with its condensed articles of worldwide scope, does not compete editorially with Canadian magazines and periodicals carrying a high content of material pertaining to Canada.

Since our first business contacts with The Reader's Digest Association (Canada) Limited we have found them exemplary in playing a fine Canadian Corporate role. This has been particularly noticeable in their policy to employ Canadians and to buy Canadian. As experienced operators in the field of fine magazine printing, they have freely given us every encouragement and direct assistance to advance in technological fields. This advancement



in knowledge and skills has been of great help to us in successfully promoting additional sales with other companies with similar production requirements.

Our employees and management take pride in both the editorial and printing quality of The Reader's Digest and its French counterpart and pleasure in the day-to-day contacts and relationships with the Association's employees. These employees have made a fine impact in their business, community and public relations and have had a leading part in developing the "know-how" of the publishing and printing industry in the Montreal Area.

While The Reader's Digest business with us is currently providing employment for the equivalent of 75 full time plant employees, as part of the \$9,000,000 they spend annually in Canada to produce their English and French editions and other products here and is therefore of the utmost importance to us, the influence of such business carries further into our operations.

The volume of production in the printing business lowers costs and creates a basis for economically justifiable prices. To meet the requirements of modern large distribution publishing printing it has been necessary for us to invest many years of work and effort as well as complete permanent installations of costly and specialized equipment. This policy of confidence in Canadian abilities and efficiency has been rewarded with the work we do



for The Reader's Digest, a medical periodical and three United States book publishing firms. In addition, we have acquired substantial amounts of other work previously done in the United States where we have been competitive in quality, price and service. This volume of work has been made possible by the utilization of the same equipment and facilities, and provides employment for the equivalent of an additional 32 full time employees. Our Canadian publishing customers also benefit from the availability of this equipment, although their volume of work would not, in itself, enable the capital costs to be undertaken. In other words, we feel we have developed our efficiency to the extent manufacturing costs on moderate runs are at par with those in the United States. This means that Canadian Publishers can use our developed facilities at no price disadvantage with its competition, either foreign or domestic.

We feel the concentration of periodical and magazine printing is too much in the hands of a comparatively few printer-publishers whose dual role does not induce them to look forward to printing new ventures competitive to their own. This, in itself, restricts healthy competition. Independent printers, such as ourselves, properly equipped and skilled in this specialized technique can produce competitive periodicals without hurt to its own special interests.

We have ordered and presently under



construction for delivery early next year, new specialized equipment, having an installed cost of over half a million dollars. An additional half million dollars of equipment is necessary to take care of the Canadian printing of Time Magazine. This equipment, relatively new to the publication field, makes possible the printing of medium print order quantities on an economical basis and is one of the contributing reasons we feel, that has made it possible for Time Magazine to consider printing in Canada. The decision to place this printing with us has just recently been made and it is planned to start production in about twelve months' time when the necessary machinery is installed. We might add at this juncture that this and other previous significant investments were made with the conviction that free enterprise will continue to prevail in Canada.

As the Canadian edition of Time Magazine is a quality product, presently being printed by an outstanding printer in the United States, we feel we are justified in regarding this as a tribute to our reputation and to the developed ability and skill of our employees. Work projections indicate approximately 41 full time plant employees will be engaged at the start in this weekly publication.

Among periodicals of American origin, of which we have secured the printing through the facilities we have developed, is the medical journal known as MD Canada. This has been a fairly recent





acquisition but already consideration is now being given by them to having us print a foreign edition requiring three times the number of copies of their present Canadian edition. This will, of course, result in the development of a new export of Canadian printing and materials.

It can be understood then, that we regard with apprehension the possibility of any legislative action which might lead to the disruption of our interdependent printing contracts, as the loss of one large unit of this structure would make it difficult to carry on with the remainder at competitive prices.

It is evident that magazines such as The Reader's Digest Canadian editions and MD Canada do contribute substantially to the Canadian economy through their payments in Canada for printing and material costs as well as their own organizational salaries and wages paid to Canadians. They have contributed substantially to higher printing craft standards throughout Canada and they have also enabled our Company to make a significant contribution in this regard, especially in the Province of Quebec. These high standards have found a wide acceptance throughout the country and to impose restrictive or punitive legislation would be in effect a restraint on excellence. We respectfully submit that the Commissioners recommend no action be taken in regard to this class of magazines or periodicals.



There are many mediums which contribute to the development of a distinctive Canadian culture. Magazines and other publications are only one form of these mediums. We agree with those who maintain that bona fide Canadian magazines, written by Canadian authors and editors, with a Canadian viewpoint, for distribution in Canada and abroad, are necessary and desirable.

The important requirement is the ability to produce top quality editorial matter on a continuing basis which appeals to a large number of the buying public. If this is combined with sound and progressive business methods it is difficult to see how such a venture could be anything but successful.

We realize that some forms of purely Canadian editions may conceivably need assistance in their initial development. A precedent would not be set if the Commission, in its wisdom, considered as constructive some type of subsidy during the earlier life of these publications. Such a subsidy could be for a specific term under conditions and safeguards as might be deemed advisable.



SUBMISSION OF GABRIEL BERBERI OF  
SAINT AMBROISE, COMTE LAPOINTE,  
P.Q.

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EXHIBIT NO. 25: Brief of Gabriel Berberi

FORWARD:

The freedom of the French-speaking Canadian press has been praised at all times in one way or another. In fact, the same freedom has been said to exist in the English-speaking press. It would evidently be proper, and fair for a new country such as ours to have such freedom. However, as you will realize from this memorandum, several difficulties have hindered the freedom of the press which is obviously necessary to the growth and welfare of the Canadian people. You will readily understand that the enclosed statements spring from absolute facts, and that this work is the author's own work. The latter has consulted no individual or organization who could have given him false and misleading information.

In presenting this memorandum the author wishes to point out the real necessity for a free press in Canada, that is to say truly Canadian newspapers and magazines with no link or connection with foreign companies and editors who deal with all kinds of publications.



Part I - Canada's Publications Today.

Foreign publications show up more and more on our market with the obvious result that our poor exclusively Canadian newspapers and magazines are terribly outnumbered.

Many years ago, Canada could not afford to ban foreign magazines and newspapers completely. However, times have changed and so has Canada. In my opinion, our nation today has acquired an important place among the nations of the world. It would therefore be wise to assume that the time has come to make a thorough evaluation of all the magazines and newspapers in the country. The quality and the truth regarding the publications and magazines of Canada would then be revealed in its true light.

Certainly, during the last ten years, exclusively Canadian newspapers have shown a tendency to expand. In other words their circulation has increased steadily year after year. This is due to several reasons. Firstly, the population has increased perceptibly; secondly, people are more interested in improving their minds. Many conclusions may be drawn from all this. On one hand, exclusively Canadian publications are numerous and varied. On the other hand, they suffer close competition from foreign publications. We must remember that if our Canadian newspapers and





magazines have expanded and matured the same applies to foreign magazines and newspapers who have increased their circulation even more.

Whether you live in Quebec, Ontario, Nova Scotia or British Columbia, you will note in every newspaper booth you see, an array of those French and American sensational newspapers, in other words overseas publications, which more or less print only absurdities. I have noted time and again that most of our Canadians today, are more readily attracted to the newspapers with interesting front page headlines than to a newspaper having just one focal point of interest. Naturally, it is fashionable today to buy such and such a weekly at five or ten cents. But if publication of these small weekly newspapers continues to increase at this rate, we may be sure that future prospects for our "more serious" literary-wise, Canadian newspapers, are nil or very nearly so.

I will comment now on those numerous publications, useless and much too evident on our Canadian market. It is an absolute fact that Canadians in general are too easily satisfied with the publications offered them. This is another fact which does not augur well for our Canadian publications. There are ten provinces in Canada. There are also hundreds of cities and villages in those provinces. We may well imagine



that hundreds of publishers have established themselves in several of those Canadian communities. In general, their publications are made up of different kinds of newspapers and magazines. For example, any publisher may print a daily paper and may also publish a magazine under another title.

Here again, it would be wise to wonder if this publisher residing in Canada, is not closely connected with one or several outsiders who would be happy to force him into publishing all kinds of literature. In my opinion, this would be the first case to investigate. In other words, there should be a thorough inquiry into this particular publishing problem. And this should extend to all Canadian publishers. Although I speak in favour of Canadian newspapers I shall not forget to expose also the too great infiltration in our midst, of those sensational newspapers which are prejudicial to the prestige of the whole Canadian nation. This is just a glimpse of the second problem confronting the Canadian experts in publications.

It is evident that an absolute control over all publications presently on the Canadian market is a dream which cannot be realized overnight. However, it is urgently needed and I must declare that this control should be set in motion very shortly as it is needed to save the Canadian press from sure catastrophe. In the Province of Quebec alone, we



see thousands of copies of publications -- American and French, which are a terrible affliction and calamity to its readers, whatever their age.

Today, French and American magazines describing evil in all its shabbiness, either by obscene photographs or sadistic and careless literature, may be found wherever magazines and newspapers are displayed. For without them, no doubt, merchants would not make enough money. This is the kind of publication which, besides impeding the growth of the Canadian free press readily encourages vice in its worst aspect. It seems to me that the government would be well advised to attend to these matters as soon as possible. The countries exporting these low standard newspapers and magazines should keep their trash. This is the second point to be considered.

So, to date, there would be complete annihilation of those publishers who, while publishing so called Canadian newspapers are, in reality, working for the interest of their respective countries. Then would come the complete destruction, from first to last, of all unfit literature originated in Canada or in other countries. To put it briefly, legislations to this effect should be passed. Legislations which would be enforced in future to provide for the welfare of our good exclusively Canadian



publications.

I would like to add a few words here regarding dirty publications, Canadian as well as foreign. Evidently the danger is more prominent for our youth. The young man or young girl who is led into reading this kind of literature will get to like it and these young people will live in an imaginary world. They will be drugged to the point where they cannot live without their ten cent fiction, love story, or indecent picture magazine. All this is certainly not conducive to the growth of a strong nation. And we must succeed in abolishing those harmful publications which stifle the growth of a young and strong people before today's youth is lost. This may seem impossible but it is not.

Right now, we may despair about the future prospects of Canadian newspapers and periodicals. But all is not lost. After these bad publications have been abolished we shall remember those years as just a bad dream. However, if we are to help all our good home publishers, we must act as soon as possible. In Canada two main languages spoken are French and English. So, in seeing the mixture of English-Canadian and French-Canadian publications, we may wonder at our free acceptance of those empty and senseless publications. Let's keep Canada united.

Our culture need the press. In fact,





life would be impossible without it. Our Canadian publications are a part of our national wealth. Let's not destroy it by permitting spoiled fruit to circulate in their midst. Canada is old enough to act its age. Let's destroy bad literature and send the foreign publications home. Now, let us say this task has been accomplished. Let us suppose that those senseless and spoiled newspapers have disappeared. What remains to be done? Many things. The work is only half done.

Let's start with the newspapers. Canada publishes many, many newspapers. It should be clearly understood that the term "newspaper" embraces different kinds of periodicals of all sorts. First we have the daily, published. Then, the weekly which is printed once a week, and finally we have the special newspapers printed once or twice a month for its readers. This group includes all Canadian newspapers.

#### 2nd Part. Kinds of Canadian newspapers.

First we'll examine the case most commonly linked with every day Canadian life. Almost every Canadian family gets at least one daily a day. What can such a newspaper do to improve the practical knowledge and bring culture to the Canadian family. To begin with, we see the big headlines on the first page. Those headlines hold very little interest for the individual reader.



Each reader carelessly glances through his newspaper missing the good things, when there are any.

The ordinary reader will look to his daily newspaper for sensational news and original commentaries to satisfy his taste for escapism. There is certainly nothing basically wrong in this kind of reading. Nowadays in fact, every normal adult needs this kind of literature. However, the daily cannot be listed as a great promoter of culture. More often than otherwise, when they do print valuable literature it is probably overlooked by the contemporary reader. Certainly more care should be taken in choosing experienced and capable reporters. There are too many third class reporters posing as experienced newspapermen.

The contents of an ordinary newspaper is divided into sections for international, national and regional news. We must not forget the wide coverage given to sports events of all kinds. The improvements to be made would be: 1. A careful selection of well-informed newspapermen. 2. More articles concerning true Canadian culture. 3. A wider coverage of modern science and techniques. 4. Elimination of useless and sometimes unsuitable commercial ads.

With reference to No. 3 in the list of necessary improvement, I can tell you in a few words



what it means. You are aware that today Canadians like to be well informed, and this should include the events on the international scene. But you have no doubt noticed, and this is a fact, that today's dailies do not give a true picture of life as it is today with its modern techniques, sciences and different methods of applying it. The reader should really be better informed on this point. And that is why foreign newspapers have penetrated into Canada. Because modern techniques and sciences are not the exclusive property of fashionable magazines. Those scientific precepts are applied to our everyday life. It would be a good idea if today's newspapers were a bit more concerned with these important questions.

Most of the commercial ads published in Canadian dailies have almost always existed. Possibly they have no ill effects on the distribution of the newspaper itself. On the contrary, the newspaper may even sell better, for in 90 per cent of the cases, the sponsors are the ones who make a publisher rich. And this is certainly harmful to the Canadian press. The publisher sees his profits increased by printing such and such an ad. There is nothing wrong in it but it should be carefully considered. And some of the ads which appear in such and such a publication are not always classic.



As far as photographs are concerned, Canadian editors have always had a good reputation in this respect, with, of course, a few exceptions. I may inadvertently have told the truth about Canadian dailies. This truth, or practically the same thing, applies to the Canadian weekly. My own special study of this kind of publication has led to the discovery that most of these have a larger content. Besides they follow the same journalistic trend. They love to print original commentaries, sometimes inordinately and embellished by white lies that do not harm anyone. Finally, it is not very different from dailies except that they contain more commercial advertising.

There is probably also more colour and more photographs of all kinds. In 95 per cent of cases, the Canadian weekly also prints "illustrated comics" in great number, which greatly improve the sale of the newspaper. Newspaper publishers sometimes devote 50 per cent of their paper to this "comic" section. Really, they are a bit too childish. The improvements here would be the same as those brought to the Canadian daily, with a few additions. Cutting the "comic" section to half its size would do no harm. And if a weekly prints off-colour photographs on such and such a subject, it should be made to lose that habit







forever.

Once more a careful selection of competent newspapermen would make a world of difference between a mediocre Canadian newspaper and one who has Canada's interest at heart. Looking back, there is another point regarding Canadian publishers of dailies and weeklies which should be looked into by the government and that is articles on art in general and other serious matters which concern people nowadays.

Of course, Canadian newspapers in general devote some articles to these important questions. However, the section of the paper devoted to them is not an outstanding one in the publication. If Canada, French as well as English, really wishes to acquire culture, these points should be thoroughly examined in the very near future. I take this opportunity to say that words are useless one way or another. It's action that counts, and something should be done to settle these different matters concerning the Canadian free press.

I shall now proceed to the different types of newspapers published in Canada concerned with different fields of action; sports, politics and innumerable others. The number of newspapers exclusively devoted to sports increase year after year. They are the favourite pastime of stay-at-home sportsmen. Such an increase could



prove somewhat harmful to the good promotion of Canadian culture through the press. Certain restrictions should be placed upon some publishers of sports newspapers. This again, is a matter of probing into the very heart of a very well-organized publishing system. It might displease many Canadian sports fanatics but it should become a reality eventually.

Although the sports newspapers are not as imminent a threat as indecent publications, they do detract from well written newspapers. Most of the sports newspapers published in Canada are weeklies. In the category of monthly and semi-monthly we find mostly purely political editions. Each political party controls a multitude of such publications and I believe this is almost a calamity.

Discussing politics in one newspaper or another is a good thing, but it has become much too widespread. It is said that the Canadian press is free inside out. But in Canada at the moment this freedom does not exist. I shall elaborate on this. You may have noticed that such and such a newspaper leans toward such and such a political party. So, if you are a newspaperman and wish to criticize the government's actions, you must be very careful. For the newspaper for which you work may very well belong



to that same political party.

Some newspapers talk only politics. Those Canadian newspapers, who, for the most part, belong to existing political parties are not printed for the purpose of promoting Canadian culture. In my opinion one thing should be done. In order to be truly free, the Canadian press must get rid of Canadian newspapers who are confined by their political beliefs and would have you think there's a cold war between newspapers belonging to a different political party. Canadian readers owe it to themselves to have a free press that would be immune to political pressure. As far as newspapers devoted exclusively to politics, in capital letters, are concerned, they should disappear completely for the greatest benefit of every Canadian.

The aforementioned newspapers are not the only ones on the market. Certain Canadian newspapers only speak of crime and court reprisals. These newspapers should have been eliminated from circulation a long time ago.. However, they still exist on a very wide scale. As in the case of other newspapers, they show a marked increase year after year. The government must assume its responsibilities and abolish this itinerant danger. The crime publications must be annihilated for they are a constant menace to the free press. There are amateurs of this unhealthy literature but they must



resign themselves to its disappearance.

The Canadian press is a necessary means of communication for the welfare of the whole nation. We should protect it by crushing those small indecent newspapers which haunt our newspaper booths. It's hard to believe that such newspapers are printed in Canada but it's the truth. What a shame that Canadian people should tolerate and protect this type of newspaper.

Here are the restrictive measures that should be applied in this case:

1. Complete abolition of those newspapers.
2. Also complete destruction of the Canadian printing houses who dare publish such material.

My latest studies on this subject have led me to the conclusion that indecent Canadian newspapers are just as detrimental as foreign newspapers to the Canadian free press and its future prospects. Therefore, effective legislations must be enacted as quickly as possible to save our Canadian free press. If certain newspapers must obviously disappear they must also obviously be substituted by good publications like those already existing. If Canadian culture is to be widespread it must be helped effectively.

An organization or association should be established immediately to supervise all Canadian





publications. This organization would hire agents who would keep in close **contact** with publishers and newspaper dealers to see that no dangerous foreign infiltration hindered the progress of the Canadian press. This will require a tremendous effort on the part of the Canadian government at the beginning but we must answer the Canadian free press' S.O.S. at all cost.

I see no point in elaborating further on this solution which I propose but I think it is a good one.

### 3rd Part: Canadian Reviews and Magazines.

Now, one question has been by-passed since the beginning of this memorandum. Does the Canadian magazine exist on a wide scale in Canada? I have reached the correct answer to this question after extensive research in this field. The Canadian magazine, with its few publications, is not well equipped to face the future. In English Canada, which includes the majority of the provinces, there are numerous reviews and publications which seem to be beneficial to its readers. Naturally, there is room for some **improvements**, but I can truthfully claim that most of these English magazines and reviews possess the essential qualities necessary for a good publication. Among those Canadian magazines some are exclusively dedicated to a special subject: medicine, sciences, arts and



letters, general construction, mechanics and several others. Although quite imposing in number, there should be even more.

If English Canada can boast about its good magazines and reviews, French Canada must be satisfied with only a few publications of this type. That is why so many English magazines and reviews invade the French Canadian publications market. I have nothing against that. However, the situation is critical for French Canadian magazines and reviews. Maybe the shortage of publishers is responsible for this state of affairs but sometimes offers good literature to the Canadian citizen, the magazine will furnish additional knowledge connected with our everyday life.

So in the case of Canadian magazines and reviews only one point needs stressing at the moment: an increase in publications. I haven't especially noticed the presence of indecent Canadian magazines and publications, but if they do exist they should naturally be abolished also.

This has been an almost complete summary of the recent and especially the present situation of Canadian publications with respect to infiltration of foreign periodicals. We have also seen the true environment in which the Canadian newspapers, magazines and reviews thrive.

The solutions to these problems may appear simple but in reality they are very complex



and will require a lot of work from those assigned to see that they are carried out. There are probably many oversights in this memorandum. I hope to be among those chosen to contribute to the fulfilment of a truly free Canadian press. In the meantime, let's hope all the projects undertaken are realized and that moral as well as economic prosperity will reign over the whole of Canada.

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ROYAL COMMISSION ON

# Publications

HEARINGS

HELD AT

MONTREAL

VOLUME No.:

DATE:

16

DEC 8 1960

OFFICIAL REPORTERS

ANGUS, STONEHOUSE & CO. LTD.

372 BAY STREET

TORONTO

EM. 4-7383

EM. 4-5865





ROYAL COMMISSION ON PUBLICATIONS

Proceedings of hearings held at  
the ICAO Building, Montreal,  
Quebec, on Thursday, December  
8th, 1960, et seq. at 10:30 a.m.

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COMMISSIONERS:

|                    |                           |
|--------------------|---------------------------|
| M. GRATTAN O'LEARY | Chairman                  |
| J.G. JOHNSTON      | Member                    |
| C.P. BEAUBIEN      | Member                    |
| MICHAEL PITFIELD   | Secretary                 |
| G. QUINN           | Administrative<br>Officer |

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THE UNIVERSITY OF CHICAGO

DEPARTMENT OF THE HISTORY OF ARTS  
AND ARCHITECTURE  
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| SUBMISSION OF WALLACE PUBLISHING CO. LTD.                    | 2         |
| SUBMISSION OF PHYLLIS LEE PETERSON                           | 33        |
| SUBMISSION OF AGENCE CANADIENNE HACHETTE LTEE.               | 55        |
| SUBMISSION OF BENJAMIN NEWS COMPANY                          | 82        |
| SUBMISSION OF BUSINESS PAPER EDITORS'<br>ASSOCIATION         | 102       |
| SUBMISSION OF EMPLOYING PRINTERS ASSOC.<br>of MONTREAL       | 110       |
| SUBMISSION OF ENGINEERING INSTITUTE OF<br>CANADA             | 129       |
| SUBMISSION OF CANADIAN DEVELOPMENT AND<br>INVESTMENT COMPANY | 133       |

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--- On commencing at 10:30 a.m.

THE CHAIRMAN: The meeting will come to order.

MR. WALLACE: Mr. Chairman, my name is Wallace; I am the Chairman of Wallace Publishing Company here in Montreal. We publish a consumer magazine called "The Montrealer" and nineteen other business papers and reference catalogues.

SUBMISSION OF WALLACE PUBLISHING COMPANY  
LTD.

MR. WALLACE: We are extremely anxious to impress upon this inquiry our concern about foreign competition to the Canadian publishing industry. The brief already put before you by the Periodical Press Association has had our full support from its inception and we second everything it has said.

The purpose of this brief, therefore, is to expand some of the arguments in the Periodical Press Association brief by relating them to the experience of our company.

As publishers of "The Montrealer", a class consumer magazine, we identify ourselves with the struggle -- and it is a struggle in the true meaning of the word -- of the national magazines to survive the onslaught of "overflow" circulation from U.S. magazines and the so-called "Canada" editions with which you are familiar.

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The evaluation of the Canadian periodical press by the Massey Commission bears reiteration at this time: "The periodical press does make a conscious, and it seems to us, a successful appeal to the country as a whole; and in our periodical press we have our closest approximation to a national literature."

The fact is that many of today's established authors owe their early encouragement and recognition to Canadian magazines. "The Montrealer", for example, first published the story by Mordecai Richler that was included in the recent anthology, "Oxford Book of Canadian Short Stories". One of the most notable Canadian books to be published this fall is "Scotchman's Return" by Hugh MacLennan. Most of the essays in this book first appeared in "The Montrealer". The anthology of Canadian writing "Northern Lights" also includes an essay by Mr. MacLennan which was first published in "The Montrealer". A humorous book called "An Unhhibited History of Canada" with cartoons by Peter Whalley and text by Eric Nicol was first serialized in "The Montrealer". It is worth noting that each of the books mentioned is peculiarly Canadian and the material in them would probably not have been encouraged by periodical publishers outside Canada. We submit that the roll-call of Canadian authors who are indebted to Canadian periodicals would be





impressive indeed, and we too are indebted to them.

Another rather surprising phenomenon is that our periodicals, without any subsidy or legislative protection, continue to pay for and use a higher percentage of Canadian material than the CBC television network and private radio stations. In the face of "Americanized" television programing, it is left to Canadian magazines to present the Canadian viewpoint and encourage national identity. In view of this, our legislators must not stand idly by and allow the demise of Canadian magazines. One must agree in part with Wilfred Eggleston writing in "Encyclopedia Canadiana" when he says: "It is a tribute to the ingenuity and persistence of the Canadian publisher that there is a thriving magazine industry in Canada." Certainly we cannot agree with Mr. Eggleston that the magazine industry in Canada is "thriving". Far from it.

Turning now to business paper publishing, we wish to emphasize that new trends have developed in this area of publishing since submissions were made to the Massey Commission in 1950. There tends to be a general impression that Canadian business papers, because of the unique way they serve Canadian industry and commerce, are not subject to foreign competition. This is not so. There are now several instances of unfair competition from "Canada" editions

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and there are several storm warnings that presage darker days ahead.

First of all, overflow circulation of U.S. business papers into Canada increased 398 per cent per issue in the ten year period, 1949 - 1959. The number of titles entering Canada rose 193 per cent in the decade and there was a 75 per cent increase in the average circulation per title.

I have here, Mr. Chairman, a photograph of an article in the Wall Street Journal dated November 15th which deals with the development of the business paper press in the United States. This shows that in a recent ten year period business papers grew from 1772 to 2178 or a 23 per cent growth. While that 23 per cent growth was taking place in the United States the growth of business paper titles in Canada rose by 193 per cent. Total circulation per issue in 1959 was 1,122,580.

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There is nothing at present to prevent this overflow circulation from reaching flood proportions and undermining a number of Canadian business papers, if not the entire industry. We contend that overflow circulation should not be encouraged the way it is at present by American and Canadian government legislation which ineffect subsidizes the U.S. publisher. The special rates for U.S. publishers mailing to Canada are lower than the U.S. domestic rates to any address over 1,000 miles from mailing point. This means a publisher in the U.S. Midwest can mail his magazine to any part of Canada for a lower cost than to New York or San Francisco. At the same time the Canada Post Office Department allows U.S. publishers to truck or ship their magazines into Canada and mail them in Canadian post offices at the statutory second class mailing rates, which are lower than U.S. rates. This situation should be corrected.

Much more alarming, however, is the threat to business papers as well as national consumer magazines from foreign by-product publishing. This takes four forms:

1. Special "Canada" editions of U.S. magazines.
2. Special "Canada" sections of U.S. magazines.
3. "Split-run" advertising in copies of

1. The first of these is the fact that the  
2. Government has been unable to secure  
3. the necessary funds to carry out its  
4. policy of non-interference in the  
5. internal affairs of the country.  
6. This is due to the fact that the  
7. Government has been unable to secure  
8. the necessary funds to carry out its  
9. policy of non-interference in the  
10. internal affairs of the country.  
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15. internal affairs of the country.  
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17. Government has been unable to secure  
18. the necessary funds to carry out its  
19. policy of non-interference in the  
20. internal affairs of the country.

U.S. magazines circulating in Canada.

4. Regional editions of U.S. magazines.

While "Time" and "Reader's Digest" are the most widely known examples of special "Canada" editions competing with Canadian publishers for Canadian-based advertising, it is also a fact that many business paper publishers, ourselves included, are subjected to the same kind of competition from U.S. business papers.

It is important to note also that "Time" has managed to convince many industrial advertisers of the effectiveness of their medium. As a result, considerable revenue is diverted from Canadian business publications. The success of "Time" in this area can be credited in great measure to the larger amount of money available to them for promotion and selling as compared to the Canadian publisher who makes a bigger investment in his product editorially in relation to gross revenue.

As an example of what we mean we can take the instance of editorial costs. Pure editorial costs average 14 to 18 per cent of gross sales. This is in the business paper field. Therefore a "Canada" edition in effect has a built in subsidy of this amount in re-using its original parent edition's editorial content. Even if we made the 5 per cent profit that is averaged by members of





the Canadian Manufacturers Association (and we don't) we couldn't compete successfully with someone who has a virtual 14 - 18 per cent subsidy.

Our office management magazines, "Office Administration" has been subjected to competition from a "Canada" edition publication since 1955. Although, "Canadian Office" is printed in Canada, its editorial is only about 50 per cent Canadian. This finding is based on a study of feature editorial articles for the six-month period March to August, 1960.

This publication, "Canadian Office" has one editorial man; our office publication has three, the editor, an assistant editor and a Toronto editor who devotes one-third of his time to the publication. This shows in a concrete way how Canadian publishers are investing much more money in editorial activity than the U.S. "Canada" editions.

The business paper press in this country, with over 400 publications, have a total revenue of approximately \$30 million. This means between \$4 $\frac{1}{2}$  - 5 million of this is being spent editorially to produce good business papers and hire Canadian editorial personnel. The U.S. "Canada" editions, on the other hand, in the main, contribute very little to the economy.

Just last year, "Fuel Oil News of Canada", printed in the U.S. and with American editorial content, arrived on the Canadian scene.



National and regional medical publications are being hard hit by "Canada" editions, principally "Modern Medicine of Canada", in both English and French, and "MD of Canada" which was launched in January 1960. Both these publications carry an extremely high percentage of editorial originated by their parent editions in the U.S.

I have copies of some of the papers to give you, as you requested in Ottawa.

We have first hand knowledge that at least one other American publisher is establishing another "Canada" edition in the medical field.

We submit that foreign publishers who are soliciting Canadian advertising for Canadian consumption in publications printed outside Canada be made to print in Canada or cease carrying such Canadian advertising. In the case of "Canada" editions, printed in Canada, but with their editorial derived mainly from a parent publication, we believe there should be action taken to reduce the costs of equivalent Canadian publications.

"Canada" sections in U.S. magazines, split runs and regional editions are comparatively recent innovations that could very well menace the Canadian publishing industry in the immediate future.

At the moment, "Argosy" and "True" add a "Canada" section to the copies circulating in

1. The first part of the paper

2. The second part of the paper

3. The third part of the paper

4. The fourth part of the paper

5. The fifth part of the paper

6. The sixth part of the paper

7. The seventh part of the paper

8. The eighth part of the paper

9. The ninth part of the paper

10. The tenth part of the paper

11. The eleventh part of the paper

12. The twelfth part of the paper

13. The thirteenth part of the paper

14. The fourteenth part of the paper

15. The fifteenth part of the paper

16. The sixteenth part of the paper

Canada. Canadian advertising is solicited in these pages at a great cost advantage to the publisher as his basic costs have been absorbed in the U.S. This gives us additional competition for advertising dollars that run in our publication "Sporting Goods Merchandiser".

Other publishers can be expected to follow this example unless discouraged against such a move.

Another immediate threat is the regional edition. This means various versions of a magazine are published to suit various marketing areas and the advertising pages vary with each area. There is a danger that Canada will be treated as a "region" of the U.S. thereby reducing the need for international advertisers to use Canadian magazine advertising. There is also the possibility that Canadian companies will withdraw from Canadian magazines in favour of "regional" editions of U.S. magazines.

Unless there is some form of restriction, the door is wide open to regional editions competing against national, farm and business papers to a degree never experienced before. It would be a gross underestimation of U.S. publishers to presume they are not aware of this.

There can be no doubt that a crisis will develop in Canadian publishing within the next few years unless steps are taken now to preserve



the industry.

The service rendered Canadians by the Canadian business paper press in particular can never be supplanted by "Canada" editions, split-runs or regional editions of U.S. magazines. It would be unfortunate if aggressive salesmanship ever made Canadian advertisers believe otherwise.

While the U.S.-based publication may be interesting to Canadian business or professional people, the Canadian publication is the one considered vital. The Canadian publication deals with native personalities, trends, case histories, news and developments. Foreign topics are usually interpreted and related to Canadian conditions.

No U.S. construction publications, for example, give our builders the information they need on winter construction. Our climate creates problems peculiar to almost every segment of our economy. Our packaging regulations, food laws and other legislation differ from those in the U.S. U.S. and other foreign designs usually must undergo modifications to account for our environmental and national traits and truly Canadian design publications are therefore vital.

The Editorial Research Director of "Industrial Marketing" magazine a U.S. publication wrote recently:

"Canada is not just an 'extension' of





the U.S. industrial market. It is definitely a friendly foreign country but it is nevertheless a foreign country and marketing plans, concepts and procedures must be tailored accordingly."

Canada's geography, population, climate, languages, history, politics, all differ from the U.S. and as long as these differences exist there will be a need for truly Canadian publications.

In conclusion it appears most appropriate at this time to quote from the address by Mr. James E. Coyne, Governor of the Bank of Canada, to the annual meeting of the Canadian Chamber of Commerce, October, 1960.

"I assume that even those who are content with the present degree of foreign domination in Canadian industry would not be happy to see our banking system entirely or even largely owned and controlled by foreigners, or our trust companies or other financial institutions, or our life insurance companies.

A few years ago it seemed that life insurance companies were indeed going to be bought up and controlled by American interests, and action was taken to prevent this.

We would not favourably regard the



development of foreign control and  
management of the Canadian Pacific Railway.

Why then should we have a different  
view with regard to so many other important  
sectors of Canadian industry?'

Why indeed? And why should not the  
Canadian publishing industry be permitted to  
prosper in a truly Canadian climate, a  
climate that it does so much to foster?

EXHIBIT NO. M-26: Brief of Wallace  
Publishing Company.



Mr. Chairman, you asked that we consider some specific proposals that may afford some measure of protection to the Canadian periodical publishing industry. We, therefore, would like to make the following free proposals.

We propose that no foreign person, or company, be allowed to publish Canadian editions of any foreign magazine without setting up a completely Canadian company, entirely owned and operated by Canadians. And that the magazines so published have at least 75 per cent Canadian editorial content.

The second proposal is: That if proposal "A" is not workable then a duty be imposed on "Canadian" editions who bring in editorial content from the U.S. That this duty be based on the original cost of this editorial material.

The third proposal is: That in order to combat the effect of overflow circulation, the present tariff Item 178 of 25 per cent duty on printed advertising matter coming into Canada, apply against the advertising content of foreign publications entering this country, their advertising revenues being pro rated to their Canadian circulation.

I repeat what was put before you in Ottawa and that is that the freedom of the press should include the right of Canadians to read Canadian periodicals, produced for them by bonafide Canadian companies. Canadians are going to be deprived of



this right -- and soon -- if no action is taken immediately.

New Canadian publications must be encouraged and should be able to operate in a climate which will allow Canadians the right to read Canadian periodicals and yet give the publishers a normal chance for survival.

I thank you for this opportunity of presenting this brief to you, Mr. Commissioners, this morning.

COMMISSIONER JOHNSTON: Did you ever run for public office, Mr. Wallace?

MR. WALLACE: I have a hard enough time, Mr. Johnston, just trying to make ends meet.

COMMISSIONER JOHNSTON: Well, you have a very clear voice. That would be a good platform manner. I was wondering how far a candidate for parliament would get if he was party to a customs duty on magazines to the point where the price was upped noticeably?

MR. WALLACE: Well, all I can say is that I certainly feel that the problem is a severe one. I know of no easy answers to it. I think that the government, in the past, has had to take forms of legislation that sometimes were not popular with the country, dealing with many types of the segments of our economy, and I think that we have such a problem again.





Perhaps the action that may be taken, if it is taken, and I certainly hope that it will be taken, may not be popular, but I think that something has to be done to preserve this means of national literature.

COMMISSIONER JOHNSTON: We have heard, from coast to coast, a complaint against any idea of protection -- a higher tariff. We got it in Vancouver. We got it in Saskatchewan. We got it in Quebec and we got it in Halifax.

MR. WALLACE: Well, I think that the retailers of Canada were probably against some of the recent changes that the government put into effect, concerning textiles, but, nonetheless, action had to be taken.

COMMISSIONER JOHNSTON: Tariff Item 178 -- can you explain what that is?

MR. WALLACE: Well, that is a duty of 25 per cent that is applied against printed advertising matter coming into Canada.

COMMISSIONER JOHNSTON: It is 25 per cent? Have you made any calculation as to what that would mean in the price of a magazine -- the Saturday Evening Post, for instance?

MR. WALLACE: No. I have not, Mr. Johnston, because I do not know what their revenues are. We could get this information and we can calculate it.

COMMISSIONER JOHNSTON: It is very difficult



to know what might be recommended to cure what I think is a real problem. We had, in 1931 to 1936, a duty on advertising content that has resulted in the Saturday Evening Post being sold for ten cents here -- five cents on the <sup>side of the</sup> other/line. Then, we had the tax on advertising that the present government has abolished because it, apparently, was not effective. So, where do we go from here? I do not know. I am just wondering if your suggestions have any practical application.

MR. WALLACE: I think that one of the things I suggested, and the first thing I suggested, is complete prohibition, unless this Canada edition is owned by Canadian nationals and is operated entirely in this country. This is not without precedent in the world. It is being done today.

THE CHAIRMAN: Where?

MR. WALLACE: In Brazil -- in Mexico.

COMMISSIONER BEAUBIEN: Cuba?

MR. WALLACE: Cuba.

THE CHAIRMAN: Spain...?

COMMISSIONER JOHNSTON: The matter of ownership bothers me quite a bit because one of the members of your Periodical Press Association is now, by an Act of Congress, a citizen of the United States.

MR. WALLACE: I have enough trouble, Mr. Johnston, keeping myself out of hot water, without



worrying about Mr. Cooke's dilemma. I think I will leave that up to him.

THE CHAIRMAN: Do you think it would add to the popularity of the Canadian periodical press, if all the people who are now buying American magazines, were compelled to pay more for them?

MR. WALLACE: I do not think that there would be as much of an uproar against paying more for them as sometimes we hear in the papers.

THE CHAIRMAN: We did not hear it in the papers. We heard it from more authentic sources.

MR. WALLACE: The sources may have been biased.

THE CHAIRMAN: They were representing the people of Canada; they were the heads of government. They depend on the people of Canada to remain where they are. They, evidently, know something about public opinion, in their respective areas. Personally, I would not want to be compelled to pay ten cents more for -- well, not the Saturday Evening Post; I would buy it -- but, for other American publications, just to support, let us say, Liberty Magazine.

MR. WALLACE: Well, on the Canada Editions that new list, if they had to pay a duty on bringing in their editorial content which, after all, is a form of dumping -- to have them pay a duty, this would raise the cost of publishing and balance out the inequitable position that now exists between a



Canadian publisher trying to compete with an American publisher. Let me give you an example of what I mean. I was talking in New York, in September, with an American business paper publisher, who proposes to bring out a Canadian edition of his publication. His publication does an annual volume of \$800,000.00 a year, and if he spends 15 per cent, which is an average, on his editorial content, that means that he has an editorial budget of \$120,000.00 a year. He can bring in the type and quality of editorial content into Canada that is worth \$120,000.00 a year, when the average revenue of the 430 business papers that are in Canada today is only \$70,000.00 total.

THE CHAIRMAN: When you say you would put a tax on the cost of the editorial content, how would you compute that cost?

MR. WALLACE: Based on the original cost of the editorial content...

THE CHAIRMAN: How would you arrive at it? How would the Government of Canada, collecting that revenue -- how would they get to know the editorial content of these magazines coming into Canada?

MR. WALLACE: The companies would merely have to report what the cost of their editorial content is.

THE CHAIRMAN: And how would they know that the report was right? Would you have men running all over the country looking after the taxes?





COMMISSIONER JOHNSTON: Well, we have people who are supposed to go from the Customs Department to decide what is the level of Canada's economic future.

THE CHAIRMAN: That is when a thing comes in, and it is determined on a general level. But, here, you are dealing of scores and scores and hundreds of publications.

MR. WALLACE: Yes. But, my suggestion was that this only apply to those who bring out Canadian editions.

THE CHAIRMAN: I see..

COMMISSIONER JOHNSTON: Time, I believe, at one point said that they spend \$1.48 a year on their editorial content. So, if you had a 25 per cent duty, it might reduce the national debt a bit. Few people made any representations to the government about the government's advertising in its so-called Canadian editions. I spent 20 cents last night, or 25 cents, for a copy of Time and I noticed three pages of Crown Corporation advertising in Time.. Do you get that advertising?

MR. WALLACE: No.

COMMISSIONER JOHNSTON: A double page spread with Trans Canada Airlines?

MR. WALLACE: No.

COMMISSIONER JOHNSTON: And a page for Polymer. None of your papers get that?

MR. WALLACE: No, sir.

1890  
1891  
1892

1893  
1894  
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1896  
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1900  
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1902  
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1911  
1912  
1913

1914  
1915  
1916

COMMISSIONER JOHNSTON: Do you think that is discrimination in this particular respect?

MR. WALLACE: It is in a form and I think that is one place where our government could act. Surely the Canadian government, if it feels that there is a problem in Canada, affecting the periodical press, which it obviously feels there is, otherwise it would not have appointed this Commission, should first of all take its own medicine and use the Canadian publications in preference to foreign publications.

COMMISSIONER JOHNSTON: Do you happen to know what advertising agency handles these two accounts, the name or names?

MR. WALLACE: No. I think that Trans-Canada is handled by Cockfield Brown. I am not certain.

COMMISSIONER JOHNSTON: Can you give us a little history of the Montrealer? Was it intended to meet the similar market in Montreal that the New Yorker meets in New York?

MR. WALLACE: Much the same, Mr. Johnston, yes.

COMMISSIONER JOHNSTON: Are you able to pay for articles and stories in the Montrealer on the same scale as the New Yorker?

MR. WALLACE: No, far from it, sir.

COMMISSIONER JOHNSTON: I thought so. What would be your top price for an article in



the Montrealer?

MR. WALLACE: \$300, \$350.

COMMISSIONER JOHNSTON: Has the Montrealer much of a staff?

MR. WALLACE: It has six people directly and quite a number of us indirectly.

COMMISSIONER JOHNSTON: The paper is not then staff written?

MR. WALLACE: No sir.

COMMISSIONER JOHNSTON: And even though your rates are low, you are able to encourage younger writers.

MR. WALLACE: Yes sir. We are very much interested in this.

COMMISSIONER JOHNSTON: You don't take only established writers?

MR. WALLACE: No sir. I think if you look at any recent issue of the Montrealer since we have taken it over last April you will find we have made a definite attempt to encourage young promising new writers to the Canadian scene and some of that material is excellent.

COMMISSIONER JOHNSTON: You have only owned it since October.

MR. WALLACE: Since April, sir.

COMMISSIONER JOHNSTON: April of this year?

MR. WALLACE: Yes.

COMMISSIONER JOHNSTON: Somehow or other



I cannot get too much worried about your trade papers.

MR. WALLACE: Well, Mr. Johnston, I am very worried about it. Perhaps there are other publishers in the country that make more money than I do. Perhaps what I am going to say now amounts to we should have a new president in the Wallace Publishing Company. Our profits for 1957 were 2.8 per cent. For 1958 1 per cent; for 1957 1.6 per cent; for 1956 1.6 per cent; for 1955 1.7 per cent.

We have had an unusual amount of growth in our organization and we have naturally been applying some of this money back into the development of new publications.

When you go into a field as we came into it and if you have to be in competition with long well established publications it is not too easy to make money.

I know that there are business papers in Canada probably 50 or 75 of them that are quite profitable but that doesn't say that we have had that average especially after all the competition now starting to come into our field.

COMMISSIONER JOHNSTON: I suppose if you don't worry about competition you wouldn't make any profits at all.

MR. WALLACE: No sir.

COMMISSIONER JOHNSTON: Now, you mentioned a 2.8 per cent profit. That is on





sales?

MR. WALLACE: Yes.

COMMISSIONER JOHNSTON: Isn't that a better average than the average in the United States?

MR. WALLACE: I don't think so, sir. McGraw Hill, who are the only ones whose figures I know, made 8 per cent last year on sales.

I know some of the other companies -- I can't really give you a general answer because I am not aware of what the industry does as a whole.

THE CHAIRMAN: Are you aware of what McGraw Hill does; what kind of work. You know they print text books?

MR. WALLACE: Yes.

THE CHAIRMAN: They are really an exceptional case in the industry.

MR. WALLACE: They are.

THE CHAIRMAN: I don't see the value of quoting them then. You did this in Ottawa. You gave us the McGraw Hill figures. McGraw Hill is an outstanding exception in the publishing industry in the United States. We have those figures now.

MR. WALLACE: I think Maclean Hunter's are also an outstanding example of publishing in this country.

THE CHAIRMAN: When we come to them, we will deal with them; but we are not asking you that, sir. What we are asking you is what you



can tell us about the earnings of trade papers in the United States and you quote to us McGraw Hill. I think you are being less than candid.

MR. WALLACE: Let me quote, Mr. Chairman, to you the Chilton Company, Conover Mast and Penton, three other companies who all make substantially higher profits than I do.

THE CHAIRMAN: Three in how many?

MR. WALLACE: I don't know.

THE CHAIRMAN: Have you any figures for the whole industry?

MR. WALLACE: No. That is what I do not know.

THE CHAIRMAN: That is what we are asking you. We are not asking you for two or three individual cases. There are exceptions in all industry. I know some newspapers who make money.

COMMISSIONER JOHNSTON: Mr. Wallace, would there be figures available to you covering the entire industry in the United States?

MR. WALLACE: No, not to me, sir.

COMMISSIONER JOHNSTON: Well, I am an editor and publisher having a vicarious interest in the newspaper business. I get every once in a while, perhaps once a month or once in three months, figures on profits of newspapers of various sizes. Surely the magazine industry has something like that and surely if they have, you should know them.



MR. WALLACE: I don't have that. You recall, Mr. Johnston, that the entire business, I don't think, in the United States as an industry reports its profits. I think there are some associations where there is cost work done and profits are reported. That is only reflected in a small number of the overall 2200 or some odd business papers in the United States. I never have, sir, seen the figures for the whole industry.

COMMISSIONER JOHNSTON: Now, in this matter of postal rates for magazines in Canada: if any change is made, wouldn't it affect the Canadian publications as well as the imported publications?

MR. WALLACE: It depends on what change was made, sir. If ~~foreign~~ publications were not allowed second class mailing privileges then it need not affect the Canadian papers.

COMMISSIONER JOHNSTON: I got the impression that the rates on magazines is a little less than the tariff will bear. I also had the impression that we cannot make any change in favour of the Canadian publications that does not affect the other publications, the imported ones; or rather we cannot raise the cost of distributing the cost of Ladies Home Journal in Canada unless we raise the cost of distributing Chatelaine.



MR. WALLACE: I do not know enough about the postal regulations to answer that question.

COMMISSIONER JOHNSTON: Would you be in favour of paying more if the others had to pay more?

MR. WALLACE: It really would not be any advantage then, would it?

COMMISSIONER JOHNSTON: No, that is what I thought. Do you think your salesmen are as aggressive as, say, the salesmen for Time?

MR. WALLACE: I think my salesmen are an aggressive group. I think that we must recognize that with the reduced editorial costs they have in producing their Canadian edition, they can pay more on sales, that is, they can pay more to get better salesmen and they can pay more for sales promotion and more types of sales promotion.

COMMISSIONER BEAUBIEN: Mr. Wallace, would you make a distinction between business publications and consumer publications as far as competition from foreign publications is concerned?

MR. WALLACE: There has been a distinction, Mr. Beaubien, up until this last few years. The competition from the overflow circulation was the original competition that the Canadian consumer magazines had. Then of course there was the development of these two Canadian editions of Time and Reader's Digest. I do not think that now there is much distinction. I think the same type of thing is creeping into the business paper

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field in exactly the same way. We have, for example, the paper trade journal of New York now actually soliciting Canadian advertising for split-run advertising in its circulation going across Canada. This is exactly the same type of competition that came in and gave the Canadian magazine field such a hard time. Now it is starting in the business paper field.

COMMISSIONER BEAUBIEN: It seems to me that you have summed up the situation on page nine of your brief where you say:

"The service rendered Canadians by the Canadian business paper press can never be supplanted by "Canada" editions, split-runs or regional editions of U.S. magazines. It would be unfortunate if aggressive salesmanship ever made Canadian advertisers believe otherwise."

So it would seem to hinge there on good, aggressive salesmanship on the part of the business press people because you go on to prove afterwards that the business press here in Canada renders a service which cannot possibly be rendered by a foreign business press, therefore you have a position which is much more solid defensively.

MR. WALLACE: That is true but I referred you to the position in which a man may have an editorial budget of \$120,000, and that means if he comes into Canada first of all he has no editorial



costs and therefore he has 15 per cent more money to put out on salesmanship and sales promotion and he can put out up to two-thirds more because our costs run anywhere from 25 to 30 per cent in advertising sales and sales promotion. He can put up to two-thirds more salesmanship and promotion because he does not have the editorial costs. Secondly, he has the type of editorial content that I cannot possibly supply if it is of a particular nature. That is, if you are going to get into the professional field, as an example, he may be able to bring out technical material where the technical material may be the same in the United States and in Canada -- the technical problems. There are, however, other broad problems such as dealing with Canadian personalities, trends in Canada, business developments in Canada, case histories of Canadian operations that are different and why they are different, and these types of development that the Canadian business paper can supply. But I submit to you, sir, that even though we may be aggressive salesmen we cannot, I think, overcome the two-thirds more selling power he has by having that 15 per cent built-in subsidy.

COMMISSIONER BEAUBIEN: I think there is no doubt about it that the foreign publications have an appeal and can make a contribution, but do you not think that you have sales arguments, if you have not the salesmanship, and arguments of appeal to the public?



MR. WALLACE: Yes, and we are using those arguments, otherwise we would not have a business in Canada.

COMMISSIONER BEAUBIEN: You say:

"No U.S. construction publications, for example, give our builders the information they need on winter construction. Our climate creates problems peculiar to almost every segment of our economy."

It seems that your press can render a service that the others cannot render.

MR. WALLACE: Very definitely.

COMMISSIONER BEAUBIEN: And give a stronger position.

MR. WALLACE: Definitely. I think all we are all concerned about is an equitable position where a foreign publication can come into this country and start a Canadian edition by dumping editorial content and take advantage of a built-in subsidy. This is what it is. No matter how we hide our heads in the sand we cannot get away from that fact. Here we are spending 14 to 18 per cent of revenues on work in Canada on Canadian publications whereas the man coming in from a foreign country with a Canadian edition does not have to do this because he merely dumps the material from his original edition into his Canadian edition.

COMMISSIONER BEAUBIEN: In a field like medicine, for instance, would you suggest that some



sort of curtailment of the dissemination of knowledge to the medical profession be made to protect a publication?

MR. WALLACE: No, but I do think the Canadian edition of the M.D. is an example of what I am talking about. I do not think they should be allowed to compete against the bona fide Canadian publications and companies for these few advertising dollars that we have in Canada. I think that M.D. as it was in its original form came across the border and spread its information, as do all professional and technical publications -- there is certainly nothing wrong with this. If overflow continues to menace the entire industry, as I think it is doing today, we might establish a percentage of an allowance whereby they would be allowed two per cent or three per cent of their domestic circulation to overflow into Canada and beyond that they would have to pay 25 per cent duty under Tariff Item 178.

COMMISSIONER BEAUBIEN: Is that publication sent free to doctors or is it sold?

MR. WALLACE: I think it is sent free on a control circulation basis.

THE CHAIRMAN: Do you not check up on that sort of circulation for advertising purposes?

MR. WALLACE: No. If it is a control circulation publication it will probably be audited by the Canadian Circulation Audit Board. However, I have seen no application that I can





remember -- and I have been a director of that Board  
-- and I do not know whether it is a member or not.

COMMISSIONER JOHNSTON:      Printing:

Do you hire it out or do you own your own plant?

MR. WALLACE:      We own our own plant.



SUBMISSION OF PHYLLIS LEE PETERSON:

MRS. PETERSON: Mr. Chairman, and gentlemen, my name is Phyllis Lee Peterson. I may say that I am a Montrealer, widowed mother of two sons whom I am at present writing through higher education. I have, for twelve years, written and sold articles, short stories and novelettes to Canadian and American magazines, including Redbook, Collier's, Chatelaine, Maclean's, Star Weekly, Weekend, The American and the Saturday Evening Post and Ladies' Home Journal.

My television plays have been produced by the Canadian Broadcasting Corporation on the play "General Motors Presents", from Toronto. I have sold T.V. scripts. I write a monthly column for The Elizabethan Magazine and my articles are appearing in the Toronto Star Weekly. A short story of mine is at present for sale on the American market.

I just wish to say that my viewpoint to this Commission is that of a producing Canadian freelance writer.

I am a freelance Canadian writer and since I began this professional career (if you can call it that) have met with some moderate success in such fields as the short story, article and television.

After writing and selling since 1948, I can truthfully say that if the professional Canadian freelance writer (having writing as his main source of income) were forced to depend on Canadian magazine



markets, he would doubtless starve to death.

There are not enough Canadian magazine markets to absorb a producing writer's annual output, particularly of short stories.

He is therefore literally forced to the American magazine market which I personally feel is a good thing.

It is a good thing because:

- (a) He will be received with courtesy and encouragement, both as a Canadian and as a writer of short fiction with a Canadian background.
- (b) He will achieve more professionalism and a better mastery of craft by slugging it out toe-to-toe with the top competition.
- (c) He will be paid from three to five times what he would receive from a Canadian magazines.

The short story is one of the highest forms of creative writing, leading often to the novel and television plays. (I myself have converted four of my short stories to one-hour TV plays and sold them all.)

The writer of short stories receives little or no encouragement from our so-called national magazines.

When I first started writing and selling twelve years ago I found five Canadian markets for my short stories. They were Maclean's,



Chatelaine, the Canadian Home Journal and the weekend supplements -- The Toronto Star Weekly and the Standard (now Weekend) here in Montreal. Since then Maclean's have (with very rare exceptions) discontinued short fiction. The Canadian Home Journal has disappeared into the maw of Maclean-Hunter. Weekend and the Star Weekly have both stopped using short stories. The only Canadian market left for short stories is Chatelaine - which buys only three or four a month.

I cannot understand why weekend magazine supplements in newspapers have been kept out of this classification "magazines" by publishers appearing before this Commission. Is it because their success in obtaining not only circulation but also advertising revenue would drastically alter the statistics and cry of woe set up by traditional magazine publishers? Is it not true that publications such as Weekend and the Star Weekly are not only flourishing but continuing to gain in Canadian circulation? Would not a record of their success in the past few years give the lie to a claim that Canadian magazines are in a bad way?

It is my strong feeling that newspaper weekend magazine supplements should fall under the classification "magazines." For my money, gentlemen, they are magazines. I buy them as a magazine reader. And speaking as a Canadian writer, they have been as lucrative markets as any for my work





in this country. The Toronto Star Weekly buys my articles. It has only in the past few months discontinued its policy of buying short fiction.

Coming back to the necessity of the Canadian professional freelance writer selling in the States if he is to continue writing (and in this I distinguish between a writer employed by a Canadian magazine and working on its staff for salary, as against the competing freelance like myself, selling wherever he can) -- if Canada as represented by this present government takes any steps to discriminate against American magazines entering this country, could not American editors feel justified in discriminating against Canadian writers?

And if they did, what would then happen to Canadian writers, particularly in the field of the short story? Are they to be confined to the paltry handful of Canadian magazines that cannot absorb their work and cannot pay enough to justify what is, at the best, a lonely and heart-breaking struggle?

Or should Canadian writers just stop writing short stories altogether and give Canadian magazines articles and the kind of stuff they want, dictated by their editorial policies?

American editors are often more receptive to Canadian writers than our own. Witness the fact that a story of mine turned down by a Canadian magazine in 1950 was bought by the American Magazine



for three times the price and formed the basis for six others which appeared in the same American Magazine including a full-length novelette. All these stories dealt with a Laurentian village and purely Canadian characters. They made up the Ste. Angele series which was well received by American readers and from which I wrote two one-hour television plays for the Canadian Broadcasting Corporation, both of which resold in Great Britain, Australia and New Zealand.

When this issue of American competition to Canadian publications came up about four years ago, Mr. Floyd Chalmers, President of Maclean-Hunter, appeared on a Canadian coast-to-coast TV panel discussion and said bluntly he did not feel a tax should be restricted only to American magazines with a Canadian edition (such as Time and the Readers Digest) but to all American magazines entering Canada. In fact, if memory serves me correct, he said they should be banned.

If American magazine prices are raised to the Canadian public, if Canadian readers can't buy what they want to, as they have always done -- then I warn you quite frankly, gentlemen -- not only I but thousands of your fellow citizens will hit the roof!

From long experience in writing and selling, I feel that it is imperative American magazines markets be left wide open to Canadian writers desiring



to compete and sell there.

Tough competition and meeting top competition is good for Canadian writers. They achieve professionalism, gain mastery in craft and draw deep encouragement and a tremendous sense of achievement from having made the grade. And they improve by trying to make it.

No subsidization, no government protection, and no sheltering of the writer as a tender plant is going to produce creative Canadian writers. They must compete in the open market to learn how to write.

The above statements could apply equally well to Canadian magazines. If they can't compete with American magazines, let them improve their content and appeal to Canadian readers. Let them welcome fresh ideas, try new approaches, strike out with more editorial originality, encourage contributions from Canadian writers from Vancouver to Halifax, with a Canadian background, and develop sounder, broader and more up-to-date and original editorial policies.

Maclean's short story contest was a wonderful thing for beginning Canadian writers. Why was this discontinued?

Since this Commission began its coast-to-coast junket I have heard nothing but adverse comment from Canadian printers and publishers who appeared before you regarding Time's Canadian edition. Let



me point out that Canadians can often find information there about their own country that they can't find anywhere else. An example is the last September 19th issue, for instance, which gives some very pertinent facts and figures regarding Montreal's municipal government. Facts like these are too often conspicuously lacking in Montreal's English-speaking newspapers.

The Reader's Digest employs 430 Canadians and will spend \$9 million in this country by the end of this year. It would be interesting to know how many Canadians are employed to produce Maclean's Magazine, and how much Maclean's will spend in Canada to produce 26 copies this year. The Reader's Digest is even now putting up new headquarters in my native Westmount in Montreal. If its Canadian edition is regarded as an American subsidiary, where do we draw the line? Why penalize this one of many American enterprises bringing capital to Canada, employing Canadians, and investing and building in this country?

The Reader's Digest publishes articles written by Canadian writers. Two of these I know right here in Montreal. They are Mr. Gordon Greene and Mr. Leslie Roberts, both of whom have written articles for the Digest which feature a Canadian background and tell the world about Canada. There is a quid pro quo here, gentlemen, which cannot be ignored.







Speaking as an ordinary citizen following this Commission's cross-country investigation, I will state frankly that there are times when I don't feel we're getting all the facts. In Vancouver we were told, as reported by the Montreal Star, November 23rd, "apart from weekend newspaper supplements, there is not a single weekly magazine of general interest published in this country." This is blamed (and again I quote) "entirely on inequitable competition by Americans who publish Canadian editions of their magazines."

Now, I realize this is an extremely complex problem, but surely some of the blame must be laid squarely where it belongs -- on the Canadian doorstep and our own complacency, lack of enterprise and unwillingness of those with capital to invest in the field of new magazine publishing.

Again, in Vancouver, statistics were produced (quote) "showing that a page of advertising in the U.S. edition of the Reader's Digest cost \$36,225. The price for the same page in the Canadian edition is only \$3,650."

In this case, gentlemen, comparisons would not be odious. To be fair, let us also have statistics showing what a similar page of advertising -- in size and like format -- would cost in Maclean's, Chatelaine or any one of the Canadian magazines so vigorously defended by their printers and publishers.



Another point that cannot be ignored -- but is being ignored -- is the fact that magazine advertising revenues in Canada have risen from \$5.3 million in 1946 to over \$20 million this year. This represents a growth of 300 per cent in fourteen years during which the gross national product increased 220 per cent. Of this \$20 million, some 40 per cent is in Time and Reader's Digest's Canadian editions. This leaves advertising revenues of \$12 million for traditional Canadian magazines -- exclusive of newspaper supplements. I discovered this information in the magazine Advertising Age of November 21st, 1960 and the reports of the Magazine Advertising Bureau.

When we have both sides of the coin -- and statements showing plain figures of Canadian magazine advertising revenues and their growth -- I, for one, cannot believe Canadian magazines are too badly in need of special privileges and protection.

But these facts too should be made clear to the Canadian public so that they can form clear unbiased judgement on the issues at stake.

Let's get down to home truths, gentlemen. This whole thing is not so much a matter of "strong Canadianism" as it is a matter of dollars and cents. It is the old question of whose ox is gored.

My suggestion in Paragraph 14 above -- improved content, appeal and editorial policies,



more encouragement to Canadian writers to contribute to Canadian magazines, closer contact with the Canadian reading public to find what they discover in American magazines that they can't get in their own -- all these would help our magazines to compete with American publications.

For competition it is -- and in our free society under a system of free enterprise -- I see no reason why Canadian magazine publishers should be sheltered from competition when Canadian writers are not. In fact, it could almost seem that American competition is being blamed for Canadian lack of stimulation, resistance to change and failure not only to keep up with -- but to get ahead of the times, as far as magazine publishing is concerned. To this I also add again, Canadian lack of investment and refusal to take a gamble in a field that is a gamble as American magazine publishers will be the first to admit. Lest I discourage any prospective investors, let me add the rewards can be good when the gamble pays off.



We have room for new magazines in Canada. We have a reading public of over 17 million people waiting for a good Canadian magazine of general interest. But to be good, it must meet competition and slug it out in the open market like any other business -- not run whining to the government for special privilege.

In fact I might add that there is at the present time a new Canadian magazine in definite process of formation that expects to compete profitably with Time on merit alone. It will actually be two magazines, in French and English with a circulation of about 150,000. It involves a considerable investment for several years, but later expects to make a good profit.

Should this Commission judge that new Canadian magazines like this, and traditional Canadian magazines now publishing must absolutely have some help against competition which can be proved beyond doubt to be unfair, then I would respectfully make the following recommendation:

**That** American magazines with Canadian editions be required to publish and print here in Canada.

By so doing they would employ Canadians, use Canadian paper, and plough back some of their profit in Canada where they have made it. And, almost important of all,





in this way they would pay the penalty for their success, since they can afford to, and the average Canadian reader would not be be penalized for buying what he wants to read.

From where I sit right now, the taxpayer's money could well be spent on problems far more important and far more pressing than the state of the Canadian magazine industry. Unemployment for one. Current recession for another. And let me assure you, gentlemen -- if you don't already know -- that if a handful of Canadian magazine publishers aren't making as much money as they'd like to, neither is the average everyday Canadian at present holding common stock.

As an aside I might throw off, if the present government is so concerned about fostering a stronger national identity, how about that flag we haven't got? Or the national anthem no one can agree on?

In conclusion may I state publicly and for the record that I deplore the wave of loose anti-American statements and generalizations following in the wake of this Royal Commission.

Contrary to what might be gathered from reports on some of these hearings we are not fighting the Black and Tans, nor -- apart from a few hide-bound Tories -- are we still engaged in the War of 1812.



Loose anti-American charges, sweeping accusations, statements of personal opinion -- all these when blown up by publicity and magnified across Canada can do little good and may, in these times, do incalculable harm. Certainly they can do nothing to help Canadians following this Commission form their own impartial judgements and unbiased weighing-of-facts in the issues involved.

A virulent unthinking emotional and unfounded anti-Americanism in Canada can destroy us from within. It can blind us to our own faults. It can hurt no one but ourselves. Let us stop using the United States of America as a convenient whipping-boy. Let us make a clear distinction between the evil being brought in by these few Americans and the good we have gained from 170 million neighbours and friends to the south of our undefended border.

And let me make a point no one else seems to have made before this Commission. That no people in the world are more like ourselves than Americans. They live the same daily lives as we do, hold the same hopes, dream the same dreams for their children, and are -- as we are -- unshakeably resolved that this continent shall be free.

We have been quick to adopt American advantages and American contributions to our comfort and living. Let us be as quick to give credit as lash out with often nebulous blame.



Our destiny lies with North America. Our thinking, outlook -- our whole history -- makes us continentalists. We should not rail against and fight American pressures. Instead we should carefully choose what is best among them and continue to incorporate them into our national life. What is not best we can discard, sifting our wheat from the chaff like intelligent people free to think for themselves and without interference, curbs or restrictive measures by government.

A good Canadian does not prove his Canadianism by being anti-American. And in these dangerous times, on this continent, to quote Benjamin Franklin, "We must all hang together or assuredly we shall hang separately."

For the benefit of any Americans who might be following this Commission's investigations, let me say here that publicized anti-Americanism and prejudice do not represent the great mass of thinking fair-minded Canadians. And let me assure our American friends that, contrary to what they might think reading our newspapers lately, Canada is not another Cuba on their back doorstep.

I thank you, gentlemen, for your patience. And I will also stress the fact that millions of Canadians read American publications catering this country. The Reader's Digest with its Canadian edition, both French and English, alone has a



circulation of more than one million a month. Time's Canadian edition is distributed to 220,000 Canadians every week. These readers have not been beaten on the head to subscribe to or pick up these magazines from their newsstands. They read them because they like them, because they enjoy them, and because they draw pleasure from them.

For you, gentlemen -- three of you -- to propose or recommend curbs, restrictive measures or government interference with the reading pleasures of millions of your countrymen is a very, very grave responsibility.

I am glad the onus of this responsibility rests squarely on your shoulders -- and of course, eventually on the present government -- instead of on mine!

THE CHAIRMAN: Mrs. Peterson, before I turn you over to Mr. Johnston --.

MRS. PETERSON: May I say, Mr. O'Leary, you are not the only one with an Irish grandfather.

THE CHAIRMAN: I rather suspected that. I first wanted to congratulate you on the vigor and freshness of your presentation but I wondered as I heard you read from the submission whether you had read the Terms of our Reference and if you have read the Terms of Reference you will have noted that we have not the power whatsoever and we were told specifically in fact that we must





not interfere with readership preference.

MRS. PETERSON: That is what first scared me from the beginning of this thing because I remember that panel discussion -- that coast to coast TV panel discussion and it doesn't specifically say -- it says that you must not interfere with the freedom of the press.

THE CHAIRMAN: We have no intention of interfering with readership preference. Furthermore, I would like you to know that this Royal Commission was not born of anti-American prejudice. No one on this Commission holds any anti-American prejudice and we have been telling people who come before us and certainly intimated to them in the plainest way that they will not be helping their cause if they come here and try to get us to do anything for them on the basis of anti-American prejudice. We are pro-Canadian but we are not anti-American and I hope you will rest assured so far as that is concerned. Whatever we recommend will not be recommended because of our dislike or hate of American people.

MRS. PETERSON: No, I understand that.

THE CHAIRMAN: On the contrary, but we do feel we have the right to -- and we do think the American people would do exactly the same thing perhaps if the positions were reversed, protect our people from what some may say and some argue --



and we have not made up our minds yet -- is unfair competition. There is such a thing as unfair competition.

MRS. PETERSON: I agree with that.

THE CHAIRMAN: Even within your own country. Our Government has again and again taken steps to protect one segment of Canada from unfair competition from another segment and one segment injuring the other.

Surely that can apply to somebody across the border who is using something -- we are not blaming him; he is like the rest of us -- he is trying to make a living and trying to make himself prosperous, which is all right; but if it leads to the disadvantage of the Canadian taxpayer in this country, surely we have the right to look at it and to do something about it or recommend something about it without being charged with being anti-American.

A SPECTATOR: Hear, hear.

MRS. PETERSON: Mr. O'Leary, I was not charging you with being anti-American but everything I have read about this Commission and the headlines on the Commission has been anti-American.

THE CHAIRMAN: In all events I have said it. Mr. Johnston has said it. Mr. Beaubien has said it. In fact we have been a little impatient with people who have come before this Commission



saying things which indicate anti-Americanism. We are also very impatient with people who come before us and tell us that Canada shall cease to exist if we don't do something about the periodical press.

Adam Smith once said: "There was a lot of ruin in a nation." I don't believe Canada is going to be ruined if our periodical press doesn't get thus and thus and thus.

Now, I am turning you over to Mr. Johnston.

COMMISSIONER JOHNSTON: Mrs. Peterson, you have got me scared.

MRS. PETERSON: Well, I came here quite scared of Mr. O'Leary but I am not scared any more.

COMMISSIONER JOHNSTON: I wonder if we people in Canada realize the differences in the market. Yesterday we had two gentlemen here from Newsweek and somebody -- I forget who -- asked them whether there could be a similar news magazine published in Canada. I have had a little experience inside and outside the publishing business and I agreed with them that they could not possibly establish a news magazine similar to Newsweek or Time in Canada and make a success of it.

You mentioned somebody -- .

MRS. PETERSON: Yes, it is going to be done.

COMMISSIONER JOHNSTON: That is fine. I wish them all success. I will not buy any of their stock.



MRS. PETERSON: I hope you will buy copies of their magazine.

COMMISSIONER JOHNSTON: Oh yes.

THE CHAIRMAN: Instead of Marie Claire.

COMMISSIONER JOHNSTON: I am one of those peculiar persons -- William Lyon Mackenzie King's repatriated Canadians. I was in the United States. I had my first papers from over there and I was invited to come back to Canada, where I was born, to work for MacLean-Hunter Publishing Company. A few years later they invited me not to work for them.

I have a brother and a sister in the United States. I have numerous friends over there. I am not anti-American but I am first of all a Canadian and I am going to insist on remaining one.

MRS. PETERSON: I agree with that and I feel I would say --.

COMMISSIONER JOHNSTON: I realize this that we cannot get the prices that you can get for the same article in the United States because of 170 million people against 18 million or whichever it is.

However, I certainly did enjoy your presentation.

MRS. PETERSON: I have heard Canadian writers criticized. I have myself been criticized because I had sold in the United States and they told me that I was a poor Canadian.

I think, sir, that you have to sell where





you can get the best price for your product, like any other business.

COMMISSIONER JOHNSTON: I am not a bit afraid that you could not sell in the United States even if the American News Magazine industry did not like Canada, if you produced an article you are going to sell it.

MRS. PETERSON: I think so.

COMMISSIONER JOHNSTON: I congratulate you on your presentation.

MRS. PETERSON: Thank you very much. You have been most kind.

COMMISSIONER BEAUBIEN: A lot has been said this morning. You have a most interesting brief here. I think everybody agrees with that. I would like to ask you your opinion on one or two things. One: what do you think of split runs? Do you think that is fair competition?

MRS. PETERSON: You mean these Canadian editions of Time and Reader's Digest?

COMMISSIONER BEAUBIEN: No, split-runs.

MRS. PETERSON: I am sorry. I don't know what a split run is. I am just a stupid woman. I don't know.

COMMISSIONER BEAUBIEN: I don't think you are as stupid as all that. You are quite capable and quite clever. A split run is where



the presses will be stopped and some advertisement -- not editorial matter -- will be changed and the advertisement will be put in and changed to cater to the Canadian advertising public on behalf of American publishers; so the only difference between a foreign edition and a Canadian edition would be that advertising which would be put in, which could be done very cheaply.

MRS. PETERSON: Well, I do not really read the ads. I read the editorial content. So far as knowing what a split run is, I don't think I wouldn't read the ads. I would be reading the articles. I would be far more interested in the stories than articles.

COMMISSIONER BEAUBIEN: Advertising is a very important part of the whole business.

MRS. PETERSON: I understand that.

COMMISSIONER JOHNSTON: It is what pays your fees.

MRS. PETERSON: Well, I am just a typical reader and writer. I am not a very good businessman. In fact in so far as split runs are concerned I have no opinion on that.

COMMISSIONER BEAUBIEN: Or overflow?

MRS. PETERSON: These gentlemen that are appearing before you have lots of opinions on it.

COMMISSIONER BEAUBIEN: It is yours that



we want.

MRS. PETERSON: I am sorry I have none.

THE CHAIRMAN: Thank you very much, Mrs.  
Peterson, for coming before us today.

EXHIBIT NO. 27 - Brief of Mrs. Peterson



SUBMISSION OF AGENCE CANADIENNE HACHETTE LTEE:

MR. ROY: Mr. Chairman, members of the Royal Commission, I wish to avail myself of my rights to speak in French before the Royal Commission of the Federal Government. However, as I will be the only member of the French press to be heard by the Royal Commission and as I desire that the Royal Commission be fully informed about this French press, about which a great deal has been said, I will speak both in French and in English.

.....(French)

I prepared a very brief memorandum because I did not think at the time of preparation that the importation of the French press would be given the importance it has been given before the Commission, in this province at least. Therefore I would like to present to you new arguments in the light of what has been said up to now before the Royal Commission. I shall speak of course as director and lawyer of Hachette Ltee. and also as a French-speaking Canadian who has some knowledge of the distribution of the press.

.....(French)

Certain English-speaking editors of a magazine in the French language have said before this Commission, I believe, that they believe the importation of French magazines might hinder the development of their own magazine. I would like





to state immediately that I do not think that is true and I am convinced that they will not hinder our sales in any case. We sell two different types of merchandise. They will sell merchandise which has a strong local interest and they will derive great benefit from it. They will employ French-speaking writers of Canada. We sell merchandise which people buy because of its style, because of the language and the character of the language used in the magazine, because of the imagination shown in its presentation and because of its taste, which reflects the French genius. It is that French genius which French-speaking Canadians think is also theirs that causes them to buy the magazine. It is because of this that we have seen in the last day or so an editorial in the French press advising that these magazines should not cease to be imported.

When the English-speaking publishers have appeared before the Commission they have insisted on the business and material side of the publishing business. I think we probably shall insist more on the cultural side.

I intend, Mr. Chairman, to read my memorandum, of which I shall provide you with English copies; I translated it myself. After reading this memorandum I would like to read the editorials which have been published in the French press to support my views. I shall also refer to the memorandum which was produced by the Provincial



Government.

I shall start now by reading my memorandum.

..... (French)

THE CHAIRMAN: We will now adjourn  
until 2:30.

---Luncheon adjournment.



--- on resuming at 2:30 p.m., Thursday, December 8th, 1960.

THE CHAIRMAN: Are you ready to proceed, Mr. Roy?

MR. ROY: Yes, would you like me to go ahead?

THE CHAIRMAN: Yes.

MR. ROY: As I previously said I would now like to support my contentions by referring to the memorandum of the Province of Quebec and to two editorials published in the Montreal press yesterday. I would not, of course, recite the memorandum which already has been read before the Commission. I would like, however, to cite two paragraphs: paragraph 3 of this memorandum of the Province of Quebec.

(French)

I have translated these two paragraphs.  
I will now read that translation:

"One first will understand the special situation in regards to foreign publications in the French language. Whether they be of the general character or definitely specialized we cannot consent that they be ostracized in the name of any form of self protection which would mean for us a dangerous cleavage between ourselves and the French



tradition and culture. It would indeed be an unthinkable cultural impoverishment if five million French speaking Canadians drowned in the much larger English group and thus one day be deprived of foreign publications written in the purest expression and form of the French language. One would also admit without difficulty that we do not have, therefore, the same reasons as English speaking Canadians to fear the invasion of foreign periodicals, and that, on the contrary, the danger for us would be scarcity rather than over abundance.

(French)

I wish to draw to the attention of the Commission to the two main points made in this memorandum: firstly the importance attributed by the government of the Province of Quebec to the French press as a means of maintaining the purity of the French language in the Province of Quebec and in Canada as a whole and; secondly, the danger from the cultural point of view and the point of view of language to which is exposed a group of five million individuals surrounded by 190 million individuals who speak another

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language.

I would like also to put into the record an editorial published yesterday in Le Devoir.  
(French)  
That is what is called a daily newspaper of opinion and combat which is read by a large section of the elite of the French speaking population in this province. This editorial states in French:

(French)

I haven't translated all the article, but I translated the pertinent paragraph in it by Gerard Fillion. The article was signed by Gerard Fillion.

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"It is not so much against American publications that we should defend French-speaking Canada as against the whole of English-speaking American that has discovered a French market and is making an effort to sell it on attractive merchandise. Is this good or bad? One finds it difficult to cheer at the disappearance of old, French-speaking magazines, which had their hour of glory. But, as they die, or as they are called upon to disappear shortly, it is better that our people read the magazine Maclean's than Maclean's English edition; Selection than Reader's Digest. Cultural colonialism is not more agreeable than economic, political colonialism. It is, however, more tolerable when it respects the culture of the natives; but, there remains a possible compensation from France. Reviews and French magazines and periodicals are penetrating, more and more, the Canadian market. Match, Marie-Clare, only to mention two titles, are, apparently, doing well in Canada.

The presence of French publications makes for an equilibrium, considering that we can hardly hope to create anything similar, because of the



restricted market. It is better to have a varied supply than to be at the mercy of one supplier.

For cultural reasons, the French-speaking element is opposed to any form of restriction on the importation of books, publications, magazines and newspapers from France. Any limitation to their free circulation is out of the question. What could be a danger to the English-speaking Canadian population, and also to the business interests of the few large publishers, is, in this instance, favourable for the French-speaking public. The O'Leary Commission will have to take this into account in its conclusion; otherwise, any measures justifiable from the English-speaking point of view will be detrimental to the French-speaking French Canadians."

.....(French)

What I would like to draw the attention of the Commission to are three main points in this article. The first one is the difference between the interest of the French-speaking Canadians and the English-speaking Canadians in matters of the press; secondly, the importance of the cultural contribution of the French press and French periodicals and, thirdly on the fact that one can almost say that the French-speaking editors



are very much in the same position, from the point of view of business, towards the English-Canadian editors of Toronto, as these editors find themselves in relation to the American editors of the United States.

The American market is a much more important one than the English-speaking market in Canada, but the English-speaking market in Canada is much more important than the French-speaking market in the Province of Quebec; wherefore, lower costs of printing, better presentation of the magazine, the publicity tariffs which are levied per head of reader reached; the possibility of diffusion by giving away subscriptions, which do not pay duty, I understand, from my French friends and editors, unless you at least in France reach a circulation of at least 300,000 copies.

I would like to say, before I leave this article, that in the first part of the article, which I did not translate, Gerard Filion states, and it explains the position of the English-speaking editors in relation to the American editors. It sympathises with them. It also welcomes them, to a point -- these magazines that are produced by English editors from Toronto, from Ontario, because it states that if they had to leave them out, they would rather leave them out in French, rather than English. But, the main thing, of course is that it puts in a





fantastic plug for French periodicals, as far as we are concerned.

The second editorial that I would like to cite is the one which was published in the press on Wednesday, December 7th. It is entitled "Concurrence et culture":

.....(French)

I only translated part of the article, which I shall now read: While we understand the problems of the managers of these publications (he is referring to the problems of the English-speaking publications) how can we help noticing that in certain ways the French-speaking publications is submitted to similar competition from a few English-speaking publications. Firms which are publishing nowadays so-called French-speaking publications, a duplication of the publicity with a national English-speaking edition expects them to offer to their readers interest rates for the same reasons as large American publications, whose Canadian edition is a duplication of their American edition.

Those who have followed from day to day the sittings of the Royal Commission on Publications, whose Chairman, Mr. Gratton O'Leary is one of the most vigorous journalists in English-speaking Canada, will notice that the Government of the Province of Quebec asked to be heard so as to make the necessary distinction between American periodicals as a whole



and the French publications which are exported from Paris and sell everywhere in the province.

For our English-speaking compatriotes, American competition is both cultural and a business competition. On the one hand, the abundance of publications originating here will submerge the intellectual production of English-speaking Canadians, and on the other hand, this importation may endanger the economy and publication of magazines published in this country. As far as the French periodicals are concerned, the situation is different. As Mr. Jean-Charles Bonenfant said, in the name of the Government of the Province of Quebec, the danger to us would be in scarcity, rather than in overabundance.

Let us have the intellectual honesty to realize we need the great French periodicals. Our history, too recent, and our population too small, for the moment, allow the publishing of great publications, which are the pride and honour of the French tongue.

It is not unreasonable for the most of the English-speaking world, which is dominant in America, that French-speaking Canada opens up doors to French culture and that our own culture seeks to find nourishment of the sort found in French books. We must keep a close contact with France. To isolate ourselves would be to undermine our future.

.....(French)



(French)

MR. ROY: I should like to draw the attention of the Commission to two or three of the main points of this article in La Presse which by the way has a circulation of 300,000 and of course is the largest French speaking newspaper in America.

This article stresses that it understands perfectly the problem of the Canadian publicist. It does not suggest any answer but it also stresses the differences of interest between the French speaking Canadian and the English speaking Canadian in the manner of the importance of French culture.

Of course, it also draws the attention of the fact that the Province of Quebec is in the same position as regards the publishers in Ontario as these publishers are in regard to the American publishers.

I think I would like to refer also to the memorandum which was produced yesterday by Mr. Gerard Filion, who is the editor of Le Devoir, one of the largest weeklies in the province. Unfortunately, I wasn't here. I believe he also stated to the Commission that the sale and entry of French periodicals to Canada are not restricted.

Finally, sir, in my memorandum I said that if measures are to be taken we have two points of view. We do not believe in complete measures. We do not have to get into that so



as the views can be reconciled.

( )

I think the position of the French press should not be protected even if this Commission wished to protect or a recommendation that measures be taken to restrict in some way -- in any way the import and sale of magazines coming from the United States.

This has been done in the case of books. Under Article No. 170 of the Custom Tariff books coming in from France do not pay duty. Books coming from the United States pay ten per cent -- not all books -- most books from the United States. Some books dealing with the arts, dealing with religion also come in free of duty.

COMMISSIONER JOHNSTON: What about the English books?

MR. ROY: All the English books -- I was going to explain that in a minute. They come also in franchise. They do not pay duty. This is the history of the tariff. In 1906 a tariff was created of 5 per cent on books from nations with preferential treatment; 10 per cent from nations having most favoured nation treatment. In 1932, however, at the Imperial Conference England obtained entry in franchise under the preferred tariff and most favoured nation tariff





remained at 10 per cent. In 1933 Canada signed a treaty with France and granted them also entry in franchise at the demand of the French speaking Canadian.

In 1935 a similar treaty was signed with Poland, I suppose on demand of the Polish immigrants. Poland also got the right of entry of their books in Franchise.

In 1939 Article 170 was amended and "books, periodicals and pamphlets, or parts thereof, printed, bound, unbound, or in sheets (not to include blank account books, copy books, or books to be written or drawn upon) in any other than the English language" entered under franchise. English books are still coming in under franchise under another Article.

I know the Royal Commission has stated on many occasions it was not considering the Customs Tariff. If it considered any measures at all, I suggest it be quite reasonable in the event that measures are taken because I am not advocating such measures. I am only trying to protect the French press. I am not interested in what happens otherwise.

In the event that measures should be taken I do not see why on the same basis as exceptions were made in the case of the press, exceptions could be made in the French press imported from France. Thank you.



MR. ROY: We import. We are sub-distributors and Benjamin News does our distribution throughout Canada, mostly in the Province of Quebec. They do it directly in Montreal and surrounding districts and they themselves are sub-distributors in other districts such as Quebec, Chicoutimi and other cities, but we import the books and I am speaking in the name of the French press only.

COMMISSIONER BEAUBIEN: You are not speaking for Benjamin News?

MR. ROY: No. Benjamin News will have problems of their own.

COMMISSIONER BEAUBIEN: Benjamin News will be heard later?

MR. BENJAMIN: Yes.

MR. ROY: I would like to avail myself, if you ask questions on circulation, of Mr. Benjamin's knowledge on these matters which is greater than mine.

COMMISSIONER BEAUBIEN: There is a relationship between Hachette and Benjamin News?

MR. ROY: Yes, we have the exclusive distribution of all of the imports.

COMMISSIONER BEAUBIEN: There is no interlocking?

MR. ROY: No, there is no interlocking.

COMMISSIONER BEAUBIEN: No joint ownership?



MR. ROY: No. Benjamin News has a minority holding in Agence Canadienne Hachette Ltee. which is controlled from France by the main shareholder. Librairie Hachette has a controlling interest in Agence Canadienne Hachette Ltee.

COMMISSIONER BEAUBIEN: You publish Paris-Match, Elle, Marie-Claire, Marie France, Constellation et Jours de France.

MR. ROY: We do not publish any of them; we just distribute them.

COMMISSIONER BEAUBIEN: By whom are they published?

MR. ROY: Paris-Match and Marie-Claire -- I do not have really to reveal facts which are not of common knowledge, but I understand that Marie-Claire and Paris Match belong to the same person in France.

COMMISSIONER JOHNSTON: They compete with one another?

MR. ROY: They compete with one another but in different fields.

COMMISSIONER BEAUBIEN: Hachette in France is a big publishing company?

MR. ROY: Hachette is a big publishing company as well.

COMMISSIONER BEAUBIEN: Does it publish any of the magazines you have listed here?



MR. ROY: It has inter~~ests~~ests in some of them but none of the ones you have mentioned.

COMMISSIONER BEAUBIEN: In Paris Match?

MR. ROY: No.

COMMISSIONER BEAUBIEN: Or Marie-Claire?

MR. ROY: It may have an interest in Elle, but I am not advised of these things.

COMMISSIONER BEAUBIEN: You distribute, aside from Paris-Match and the others that we named a few minutes ago, from 180 to 200 other titles with smaller circulation?

MR. ROY: That is right.

COMMISSIONER BEAUBIEN: These (indicating M-28) were given to us this morning.

MR. ROY: We looked at them; we import and distribute fifteen of those.

COMMISSIONER BEAUBIEN: Only fifteen?

MR. ROY: Fifteen.

COMMISSIONER BEAUBIEN: You would not consider that these magazines here were the best example of French genius or tradition?

MR. ROY : I would put it this way -- your question is unfair --

COMMISSIONER BEAUBIEN: I am only joking.

MR. ROY: I would put it differently. I would say that magazines have to be made for all age groups, let us say for all mental groups -- and the mental group does not necessarily correspond





with the age group. We have to make all kinds of magazines and distribute all kinds of magazines. To sell the good ones we have to sell less good ones. I think those magazines are not objectionable. If you feel that the kind of people who read them have to read something, I feel that they have the advantage of being written in fairly good French, although it is a simple form of French. On the whole I would say that the stories -- I do not read them myself but I have had occasion to see them and look at them because we help distribute them -- on the whole have a good moral background. I would not say that applied in all cases, but on the whole I think they have a good moral background. We distribute the French periodical. The family in French is the nucleus of society, and even in the magazines which you might call slightly off colour you will very rarely find anything which has not a sound moral family background. You can look at the heart columns of any of the womens' magazines or what is called "la Presse du Coeur" and you will find as a whole that it has a good family background. I must say we have considerable success with both types of magazine, and they exist in other countries. They have a wide sale in France and we do put them on sale here. We are not ashamed of it. But we do admit that they are not as good as some of the other



magazines which I will leave with you.

COMMISSIONER BEAUBIEN: You would not say this type would be the type alluded to in the editorials written in Le Devoir and La Presse?

MR. ROY: I do not think you can actually say they are not alluded to. I think Le Devoir and La Presse would like to see French speaking Canadians reading French. If we do not provide those magazines they are going to read similar magazines from the States and elsewhere. These magazines have a certain quality. I am not saying it is the type of magazine you and I would want to read, but Le Devoir and La Presse also wish to have these magazines come into the country. We picked the fifteen which we bring in. I have just looked at them briefly.

COMMISSIONER BEAUBIEN: Someone remarked to me that maybe there is not anything bad in this sort of business but it clogs up the newsstand so it is difficult for the good magazine to stand out, to have a bit of the place in the sun.

MR. ROY: Well, of course, they have a good sale -- some of them. I think one or two have a good sale in there. You will not be able to prevent a news dealer from putting in front a magazine that has a good sale.

COMMISSIONER BEAUBIEN: I am not saying we should but --



MR. ROY: You could not do it if you tried.

MR. BENJAMIN: A magazine with a certain sale seems to float to the top. If it has a sale it will be displayed; if it has no sale it will not be displayed. The retailer is as interested in this as anyone. He must make the space, allot it, generate a certain amount of profit in order to pay his rent. They are aware of the titles that are selling and the titles that are not selling and you cannot force a retailer to do anything. The retailer is his own master and he will display those publications which to him are most beneficial. With these large chain outlets who watch their profits picture very closely on a square foot basis or on lineal foot basis, they insist that certain magazines go on their rack based entirely on the profit generated. This happens through all your chain cigar stores and all the chain supermarkets; it happens in the railway terminals and in the department stores. They have so much space and they insist that those which are displayed are those titles that give the profit. Nothing that is not selling will come to the top and something that is selling will not remain buried.

COMMISSIONER BEAUBIEN: I understand that. A moment ago we were talking about culture



but now we are getting down to good business principles.

MR. ROY: We also talked about the French tongue and the argument of the French tongue is just as valid. If I could provide **young** French speaking Canadians of five, ~~six~~, seven and eight years old with a large selection of comics I would be happy to do so because at the moment they are reading American ~~ccmics~~ because they get all the publicity from the daily press, the characters are known.

THE CHAIRMAN: Does La Presse carry comics?

MR. ROY: Yes, translated comics. Therefore the American comics have a very great sale here, and I regret it. If I could have a number of French comics I would gladly put them on sale and feel I was rendering a great service.

THE CHAIRMAN: Your people in Paris publish Realites?

MR. ROY: No, Realities is a separate company. Whether we have an interest in it or not I do not know. Realites is one of the finest publications in the world in the luxury field. Because of its quality they have been able to make an English edition and sell 60,000 copies a month in the States.

THE CHAIRMAN: Do they solicit United States advertising?

MR. ROY: They solicit U.S. advertising.





COMMISSIONER BEAUBIEN: There is a number of these small publications here (indicating Exhibit M-28). They are undated, are they?

MR. BENJAMIN: I do not believe the small ones are ours.

MR. ROY: Some of those are not ours but we may have something identical. It is quite true in the field of undated magazines in some instances they are sales of returns of French sales. They are not dated and they can be put on sale here.

There was one thing said before which is wrong. It is a fact that we do not unfortunately buy them at bargain prices. We pay the same price as a retailer in France pays.

MR. BENJAMIN: May I add further that actually we are paying more for them than an organization at a comparable level in the distribution organizations in France. Not only do they put out good products in France, but they seem to be very astute price-wise as well. The retail price is higher than the French retail price and our purchase price is higher than the comparable purchase price at the same level of distribution.

COMMISSIONER BEAUBIEN: The undated magazines sold in Canada here -- are they also sold undated in France ?



(Roy)  
(Benjamin)

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MR. ROY: Yes.

THE CHAIRMAN: What is the reason for this undated?

MR. BENJAMIN: There is no news worthiness to them. A comic magazine --

COMMISSIONER BEAUBIEN: You mean it is timeless?

MR. BENJAMIN: It is timeless.

MR. ROY: You can start putting it on sale in one place where your best sale is and then elsewhere, and at the end of the line I presume you can send them abroad.

THE CHAIRMAN: Do these magazines go into Belgium?

MR. ROY: All of them, yes. All of these do, I am sure (indicating Exhibit M-33). As for those (indicating Exhibit M-28), I would not know.

COMMISSIONER BEAUBIEN: When these publications enter Switzerland or Belgium I understand there is a certain tariff.

MR. BENJAMIN: No, there is no protective tariff, no sales tax on publications into any country. The only existing tax is a five per cent ~~taxe~~ du transmission which exists in Belgium. This is a general tax, generally applicable; it is not a protective tax of any sort.

COMMISSIONER BEAUBIEN: It applies to these magazines?



MR. BENJAMIN: It applies to tractors equally. Actually it is a general tax with possibly exceptions on surgical instruments and drugs.

THE CHAIRMAN: Like a sales tax?

MR. BENJAMIN: Like a sales tax for the privilege of bringing it over the border.

COMMISSIONER BEAUBIEN: It is a measure of protection on these magazines?

MR. ROY: It applies on all merchandise of all types.

THE CHAIRMAN: It happens to apply to magazines.

MR. ROY: That is right; magazines are not excepted as are some products.

THE CHAIRMAN: Then your case generally is that these magazines coming in from France do not in fact compete with any like magazine being published in French Canada and are not likely to compete with any that will be started?

MR. ROY: That is not my main point. My main point is the one of culture and language. My second point is the fact that these magazines have had no Canadian editions and these magazines have not taken publicity and therefore on that ground they do not compete. Whether because they are selling other magazines might not sell -- I only stated this in relation to this point --



that is always possible, but that is fair competition. I only stated this -- as far as the magazines published from Ontario in the French language, it is not the same merchandise, they both have different markets. I do not say that one in some cases would not get sales from the other. We are not worried and I do not think they should be either.

THE CHAIRMAN: Do these come into Quebec?

MR. ROY: Yes.

THE CHAIRMAN: Are you saying these magazines at which we have looked are **true** exponents of French culture and the French language.

MR. ROY: The ones you have before you?

THE CHAIRMAN: No, I am thinking of the e you have -- Paris Match, Marie-Claire, and so on. These (Exhibit M-33) are doing something for the French culture and language in Quebec?

MR. ROY: I will say so, but what is more important is that editors of large papers and the Quebec government says it too.

THE CHAIRMAN: Who says the other thing?

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I believe that there is still plenty of room to sell magazines in Canada.

THE CHAIRMAN: Are the circulations of these magazines growing?

MR. ROY: Rapidly.

THE CHAIRMAN: Growing rapidly?

MR. ROY: Yes.

THE CHAIRMAN: Will the appearance of the two new French papers from Toronto, Chatelaine and Maclean's -- what difference will they make?

MR. ROY: I could answer that better in six months. I do not believe it will affect us.

THE CHAIRMAN: They won't hurt you or you think they are serving different fields?

MR. ROY: In the first place Chatelaine is coming into the province after having purchased a French magazine. Therefore it is starting up servicing that list, that list of the French magazine that was here. They will expand later. This is a matter to be seen.

THE CHAIRMAN: Have you any intention of coming in and getting advertising in Canada?

MR. ROY: As I said in my memorandum we do not say that, but there is a possibility, for instance, of magazines being put out in the Province of Quebec, but from what I have seen and I have been working at this for about ten years this could only be done, in my opinion, and this is



the only way it has ever been attempted, is to set up in partnership agreements with existing publishers in the Province of Quebec. I do not think **with** the small circulation that any magazine could obtain in the Province of Quebec you could set up an office and you could incur the overhead costs which would be required to put out such a magazine.

If it has ever been done -. I would like to see it. It has not been done yet. If it is done I think it will be done in a partnership with a Canadian through a Canadian company. I don't think it could be done differently.

THE CHAIRMAN: Do you know Mr. Chalmers is in the room?

MR. ROY: I cannot see him. I don't know.

THE CHAIRMAN: Mr. Johnston, have you any questions?

COMMISSIONER JOHNSTON: No.

THE CHAIRMAN: Thank you very much for a very interesting presentation. We were delighted to have you. I think Mr. Benjamin is next.

MR. ROY: I would like, Mr. Chairman, if it is all right, I will prepare a new memorandum inserting the translations and forward it to the secretary of the Commission.

THE CHAIRMAN: It will be put in the record, every word of it.

Would you identify yourself, Mr. Benjamin.



MR. BENJAMIN: My name is Mr. Benjamin.

THE CHAIRMAN: Are you the president of the company?

MR. BENJAMIN: No, I am secretary.

SUBMISSION OF THE BENJAMIN NEWS COMPANY:

Appearances: Mr. Benjamin.

MR. BENJAMIN: We are importers of some French publications, and of course, distributors of other French publications imported from French Canada, and also distributors on a regional franchise basis of certain American periodicals.

The term "Canadian Magazines" appears to be generally interpreted as referring only to Canadian Consumer Magazines. However the terms of reference of this Commission refer to "Canadian Magazines and other Periodicals". The inquiry therefore should not be confined to Canadian Consumer Magazines alone but must be made on a far broader basis.

Certainly the term "Canadian Magazines and other Periodicals" encompasses:

- 1) The daily newspapers.
- 2) The weekly newspapers.
- 3) The weekend newspapers.
- 4) The consumer magazines.
- 5) Business magazines and newspapers.
- 6) The farm papers.
- 7) School newspapers.



## 8) Religious publications.

It is therefore most essential that the Canadian consumer magazines be placed in their proper perspective vis-a-vis the other branches of the periodical industry.

Just how essential are the Canadian consumer magazines in maintaining the culture and unity of Canada in relationship to the rest of the industry.

Surely there are forces at work in presenting the Canadian way of life, in maintaining a national identity and in consistently reaching the greatest number of Canadians through the media of the daily and weekly newspapers, the weekend newspapers, the business magazines and newspapers, the farm papers and, to a lesser degree, school papers and religious publications.

An advertisement place in "Marketing" November 25th, by the Business Newspapers Association of Canada, states as follows:

"Canada's business publications play a vital role in Canadian business, professional and industrial life; they are indeed the principal instruments of adult education and training."

I might interject, that in the first report of the inquiry it seemed to be directed to consumer magazines. Since writing the brief I realized that business newspapers and magazines are getting more of a play than at the time when I wrote this.





In 1957, the total copies sold in one year in Canada of Canadian Consumer Magazines was 45.6 million copies. Compare this to the impact on Canadians of the following total annual sales of the rest of the periodical publishing industry:

Daily newspapers - 1,218,660,480 copies

Weeklies - 65,336,700 copies - note 1

Business newspapers and magazines -

32,775,228 copies - note 2

Weekend newspapers - 210,169,960 copies

- note 3

Farm papers - 710,119,029 copies

School papers - not available

Religious publications - 20,539,314 copies

And all this compared to a total annual net sale in Canada of U.S. magazines of 154 million.

Note 1 - We also wish to point out that in the case of the Canadian weeklies, this figure includes only the 524 that belong to the Canadian Weekly Newspapers Association, whereas the figure of weekly newspapers is closer to 900.

Note 2 - This figure has been projected on the basis of a circulation of 2,731,269 for 430 business magazines and newspapers. Most of these 430 are monthlies although a few may be quarterlies or weeklies. This figure may not be wholly accurate but is extremely close. In the case



of business newspapers, the figures only include those magazines or newspapers that publish four times a year or more.

Note 3 - The figure of weekend newspapers includes the total copies of "Weekend Magazine" and "Perspectives". It can be argued that these figures are duplicated in the figures of the daily newspapers which carry Weekend and Perspectives as a supplement. But, if we look upon its impact and its contents, it is of course separate and distinct from the newspapers with which it is coupled and deserves to be counted separately.

Examination of data available in "Canadian Advertiser" indicates the existing figures are at an all time high and that there has been constant growth over the years.

In 1945 for example, there were 84 daily newspapers, today, there are 91. In the field of business magazines and newspapers, MacLean-Hunter alone have added twelve different titles since 1945.

Individual consumer magazines have also shown a constant circulation growth as per table "A".

I should like to correct Note 1 relating to Chatelaine. It should read after Consolidation with Canadian Home Journal and before consolidation

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with Review Moderne.

TABLE "A"

|                             | <u>1945</u> | <u>1950</u> | <u>1960</u>    |
|-----------------------------|-------------|-------------|----------------|
| Maclean                     | 286,035     | 411,809     | 515,557        |
| Liberty                     | 210,020     | 416,610     | 590,563        |
| Chatelaine                  | 264,911     | 370,558     | 767,304 note 1 |
| Revue Moderne               | 77,788      | 99,975      | 106,303 note 2 |
| Revue Populaire             | 67,227      | 77,222      | 110,641        |
| Canadian Home<br>Journal    | 258,439     | 356,071     | Dis.Sept./58   |
| Canadian Homes<br>& Gardens | 18,397      | 51,191      | 133,391 note 3 |
| Saturday Night              | 33,723      | 53,939      | 76,202         |
| Le Samedi                   | 69,024      | 76,231      | 80,490         |

Note 1 - Before consolidation with Canadian Home Journal.

Note 2 - Before change of name and consolidation with Chatelaine.

Note 3 - Changed to Canadian Home.

Competition for circulation is always a problem, but every industry faces competition in a competitive society. The Canadian Consumer Magazines have stood up very well and certainly cannot point to competition for circulation from foreign periodicals as ~~their~~ problem.



It is quite true that some Canadian consumer magazines have disappeared since 1945 but in spite of this we cannot lose sight of the fact that the actual number of Canadian consumer magazines has increased. According to "Canadian Advertiser" in 1945, there were 65 consumer magazines. In 1950, 103 and in 1960, 136. These figures do not include Canadian editions of U.S. publications.

Some magazines have disappeared because of their acquisition by another Canadian magazine which then killed the title and used the subscription list to swell their own circulation or to launch a new publication, e.g. Chatelaine acquired Canadian Home Journal to increase its own circulation; Chatelaine, English edition, acquired Le Revue Moderne and launched a French language publication entitled "chatelaine La Revue Moderne". In all cases the magazines which disappeared showed a constant circulation growth, as per table "A".

It must be borne in mind that the disappearance of magazines is not a phenomenon peculiar to Canada. In the United States, we have seen "Colliers" go from a weekly to a semi-monthly and disappear. We have seen "Woman's Home Companion" and "American Magazine" disappear. We have seen "Liberty" go from a weekly to a monthly and disappear. This is in the United States. In Great Britain, we have seen "Picture Post" disappear;





and there are many others.

It has been said that what is desired is a climate in which a smaller single magazine publisher can venture with a reasonable opportunity of long range success. But really, is there any industry in which anybody can venture with a reasonable opportunity of long range success. There are problems and pit falls and risks in every industry. Launching a magazine of national importance is beyond the scope of a small single magazine publisher. It can only be accomplished by a well established publisher. Any exclusion of foreign publications would not help the small publisher but would only serve the interests of existing large national publishers.

If the circulation of Canadian consumer magazines is examined and projected on a population ratio with the total circulation of U.S. magazines, it will compare most favourably, as per table "B". In this table, the Canadian population of 18 million is adjusted to 13 million to give consideration to the fact that there are 5 million French speaking Canadians. The U.S. population taken as 180 million justifies a ratio of 13.8 times.



TABLE "B"

|                     | Canadian<br>Circulation<br>1960 | Projected  | U.S. total<br>(includes<br>Cdn. circ.) |
|---------------------|---------------------------------|------------|--|
| Saturday Night      | 76,202                          | 1,051,876  | n/a                                    |
| Maclean             | 515,577                         | 7,114,962  | n/a                                    |
| Chatelaine          | 767,304                         | 10,588,795 | n/a                                    |
| Canadian Homes      | 133,391                         | 1,840,795  | n/a                                    |
| Liberty             | 590,563                         | 8,149,769  | n/a                                    |
| Life                |                                 |            | 6,448,215                              |
| Post                |                                 |            | 6,227,075                              |
| American Home       |                                 |            | 3,664,921                              |
| Time                |                                 |            | 2,397,509<br>(note 1)                  |
| Ladies Home Journal |                                 |            | 5,986,727                              |
| Reader's Digest     |                                 |            | 12,011,389<br>(note 1)                 |
| Look                |                                 |            | 5,881,787                              |

Note 1 - Not including Canadian copies.

Let us compare French consumer publications on the same basis with consumer magazines published in France, as per Table "C". In this table the French population of Canada is 5 million compared to the European French population of 50 million, for a ratio of 10.



TABLE "C"

|                 | <u>Canadian Circ.</u> | <u>Projected</u> | <u>French</u> |
|-----------------|-----------------------|------------------|---------------|
| Revue Moderne   | 106,303               | 1,067,870        |               |
| Revue Populaire | 110,641               | 1,060,100        |               |
| Le Samedi       | 80,480                | 802,800          |               |
| Paris Match     |                       |                  | 1,800,000     |
| Marie Claire    |                       |                  | 1,200,000     |
| Elle            |                       |                  | 850,000       |
| Marie France    |                       |                  | 850,000       |

It therefore appears quite evident that competition for circulation is not the beginning and end of the problem with the Canadian consumer magazines. The basic problem is competition for advertising lineage.

This competition for advertising lineage is not just the competition from Canadian editions of U.S. magazines or from split runs of U.S. magazines. The Canadian consumer magazines are also in competition for advertising lineage with the other members of the Canadian magazine and periodical industry namely, the daily and weekly papers, the weekend papers, the business papers and magazines, etc. as well, of course, as the other mass media of communication, radio and television, both domestic and foreign.

It is interesting to note that the daily newspapers do not fear the competition from U.S.



magazines. In fact, if we examine page 45 of the Toronto Telegram of the November 14th issue and page 25 of the Toronto Daily Star of November 15th issue, we will find that these papers (as do many other Canadian newspapers) make special subscription offers of U.S. magazines to aid in circulation promotional efforts for themselves. I might add at ridiculously low rates.

The Canadian population is not large enough to support a consumer magazine industry that could produce the great variety and range of publications now available from foreign sources. In addition to 300 odd titles of U.S. publications, there are close to a 100 titles from the United Kingdom and 200 titles from France, as well as German and Italian publications, all of which serve a vital requirement to the various ethnic groups which comprise our nation. In partiucular, weekly publications of the quality of "Elle" or "Paris Match" or "Jours de France" could not be supported by a French speaking population of five million. The United Kingdom has been unable to support weekly publications of a similar quality. There exists no "Paris Match" or "Jours de France" or "Life" or "Saturday Evening Post" in Great Britain. There exists no magazine such as Time in any other foreign country, other than the foreign edition of Time.





Import restrictions do not cause the automatic blossoming forth of great national magazines. Australia, because of a shortage of hard currency, imposed restrictions against U.S. publications. These restrictions existed throughout the war years and were only lifted about seventeen months ago. Yet, in spite of this protection, there is still only one important Australian national magazine and that is "Australian Woman's Weekly".

It must be borne in mind that the situation in Canada is comparable to the situation in Switzerland, Austria and Belgium. These countries have no discriminatory or restrictive measures against French or German publications. There are, as in the case of Canada, certain foreign titles that have an extremely large circulation in Belgium, Austria and Switzerland and some foreign publications have special editions, such as "Selection du Reader's Digest", "Modes et Travaux" and "Elle". In addition to this of course, many other publications regularly have articles directed to these countries but the three above mentioned publications accept advertising directed to Belgium and/or Switzerland.

There is actually a daily newspaper in the north of France, "La Voix du Nord" which has a special edition for Belgium and has an office in Belgium both for editorial and advertising



purposes.

On the other hand, and this is of great importance for our Canadian magazine publishers to note, there are important Belgium and Swiss publications that have had remarkable success in France and in Germany. The finest example of this is the Belgium publication "Femmes d'Aujourd'hui" with a sale of 1,300,000 copies per week of which more than a million are in France and which has become one of the largest French language publications. "Bonnes Soirees" is another Belgium publication that has effectively entered the French market.

In Switzerland, the publications of Maison D'Editions Ringier have effectively entered the market of their large neighbours.

They have entered France with "L'Illustre" and they have entered Germany with "Sie Und Er", "Schweizer Allgemeine Volkszeitung", "Schweizer Illustrierte Zeitung". Even the daily papers of Switzerland have entered the German market as per example "Nieuwe Zürcher Zeitung".

It appears that the Canadian publishers of Consumer magazines could help themselves by looking at the much larger American market and taking aggressive and effective steps to participate in this additional market of 180,000,000 people as



publishers in other countries have done when faced with competition from their larger neighbour having a common language.

There exists no nation in the world today that restricts the free flow of foreign publications across their frontiers except to conserve foreign exchange due to dire economic necessity or, to maintain a dictatorial and totalitarian regime.

It would be very difficult for the peoples of the free world to understand how Canada, who holds an important position and whose prestige ranks high among the great nations of the world, could consider restrictive measures when this has never been done by countries that have not as yet achieved the economic and cultural levels that have been reached in this country.

I might add, also, that Canada is a signatory of the UNESCO agreement on the free exchange of technical, scientific and cultural media.

Summary:

1. Canadian Consumer magazines are not the only force safeguarding the unity and culture of the Canadian people.
2. The basic problem faced by Canadian consumer magazines is advertising lineage.
3. Competition for advertising also



arises from other branches of the periodical industry and other media of mass communications.

4. The existing wide and varied range of consumer magazines, because of imports, cannot be supported by our population even if published and edited exclusively in Canada.

THE CHAIRMAN: Mr. Benjamin, you have gone to a great deal of trouble and spent some time on research to present with us the very fine brief you have presented. Why have you done so? What was your inspiration?

MR. BENJAMIN: The inspiration, sir, is that the bulk of our business is that we are distributors of magazines and newspapers and the raison d'etre of a distributor of periodicals of all sorts.

THE CHAIRMAN: The more that come into this country the more you can distribute?

MR. BENJAMIN: Yes sir.

THE CHAIRMAN: What is the connection that your company has with the Curtiss Company as a distributor.

MR. BENJAMIN: As a distributor we have a regional franchise of Montreal.

THE CHAIRMAN: Is yours a Canadian company?





MR. BENJAMIN: Yes sir.

THE CHAIRMAN: Are you a subsidiary of any American company?

MR. BENJAMIN: We are a subsidiary of no one, sir.

THE CHAIRMAN: Has the Curtiss Company any ownership in your company?

MR. BENJAMIN: No sir.

THE CHAIRMAN: Have you any ownership in theirs?

MR. BENJAMIN: No sir.

THE CHAIRMAN: Have you any arrangements with them regarding the distribution?

MR. BENJAMIN: We are their distributors in the area of Montreal and as far as Valleyfield and Ste. Agathe. It is the entire franchise that we have on a contract basis, renewable periodically.

THE CHAIRMAN: Would you mind letting us see that contract? Have you got it?

MR. BENJAMIN: No, I have not. Many of these things are --

THE CHAIRMAN: Would you have it in your office?

MR. BENJAMIN: Yes, we have one.

THE CHAIRMAN: Can you bring it down tomorrow, please?

MR. BENJAMIN: Yes, I can.

We act for the Curtiss Distributing Company



in the same manner we would act for the Toronto Star.

THE CHAIRMAN: Probably. It is true that you exert, let us say, some influence on the news dealer, on the news vendor in the manner of how he should display his magazines?

MR. BENJAMIN: None whatsoever.

THE CHAIRMAN: You have no connection with them at all? You never discussed the matter?

MR. BENJAMIN: We do not exert any influence on them.

THE CHAIRMAN: You discuss it with them though?

MR. BENJAMIN: We discuss it with them.

THE CHAIRMAN: What form would the discussion take?

MR. BENJAMIN: We would show the sales of a particular publication on an area basis and that such and such a publication has a greater sale than another publication and point out it would be advantageous to give this prominent display because this is one that is moving, that is generating sales for him, for us, and for the publisher but there is no other method than that.

The retailer is at liberty to ask for any publication and if we have it, he gets it. He is also at liberty to cancel any publication that he doesn't wish to handle.

THE CHAIRMAN: Then you might tell him



that Saturday Night should be submerged and perhaps Time or Reader's Digest or True Confessions be given priority on the newsstand. Is that right?

MR. BENJAMIN: I wouldn't say as a matter of fact that any particular publication should be submerged. We would like --

THE CHAIRMAN: How could you arrange it if you don't say something in particular should be submerged? It seems to me it would be pretty well impossible --

MR. BENJAMIN: You see, in a magazine rack you have your display --

THE CHAIRMAN: What did you call it?

MR. BENJAMIN: On a magazine rack you have a display --

THE CHAIRMAN: I thought you said racket. I am sorry.

MR. BENJAMIN: Which is up front. There is a choice display. Essentially the publication with the greatest volumes are up front. As far as the others are concerned there is not that much distinction as to where they go after that.

If it is, let us say, four tiers, the key position is the front shelf and the ones behind are generally entirely to the discretion of the news dealer without even any references to what should be put where.



THE CHAIRMAN: Tell me this: Is there such a thing as a package deal with a news dealer? For example, supposing he said "Look here, I want five copies of the Atlantic Monthly" -- would you, or does anybody else, say to him "Well, yes; but, if you do that, you must take twenty copies (or whatever) of True Confession."?

MR. BENJAMIN: No. There is no such thing, sir. There is no such thing.

THE CHAIRMAN: There is no such thing?

MR. BENJAMIN: No such thing.

THE CHAIRMAN: It was given, on sworn evidence in Ottawa, that there was such a thing. I do not know who the distributor happened to be there, but this did come up in court and it was sworn to. The man swore "I have to take these publications in order to get other publications..."

MR. BENJAMIN: What someone else may do -- I cannot speak for what someone else may do. It is not done here and I doubt very much whether it was done anywhere. I seriously question the sworn statement of this individual.

I would say, almost without any restriction whatsoever, that it is untrue.

THE CHAIRMAN: How large is your area distribution with the Curtis people?

MR. BENJAMIN: It is Montreal to Valleyfield, up the Laurentian area as far as, roughly, Mont Laurier; to the south, to St. John and to about Pointe Outremont,





with a few odd little towns that are not near any other distributors.

THE CHAIRMAN: How do you keep a continuity in your knowledge of how a news vendor is displaying the magazines you think should be displayed more prominently? Have you a system of inspection?

MR. BENJAMIN: Yes, we have a system of inspection and we have a record of the quantity distributed of each title, each outlet and each issue, and additional copies he receives during the sales period of copies that are unsold, and we have a running record of his net sales on every title.

THE CHAIRMAN: Would you send a man around occasionally to inspect his newsstand?

MR. BENJAMIN: Yes, sir. Going back to this question of what should be displayed and what should not be displayed -- in the case of many of the chain stores -- I will say almost all of them -- we have definite directives that only those titles which are generating the maximum profit to the store be place on the stands. Our hands are almost tied. The only thing is that we are the ones that examine the figures; and the supplies to the department stores as well, the question of display is a problem. It is a problem for us. I think that Eaton's have just reduced their rack by about two-thirds, within the past ten days, simply on the basis that in



the location, this area must generate more profit for the store. Consequently when the rack is reduced by two-thirds, the number of titles are reduced as well.

THE CHAIRMAN: Is it fair to say then that your analysis that you made of publications in Canada, and the reasons you have given us to support your beliefs they should continue to come in, is based on a profit motive for your company?

MR. BENJAMIN: Well, I think almost everything that anyone does is based on a profit motive.

THE CHAIRMAN: I am sorry. I cannot agree with that. But, in all events, that is your motive in coming here?

MR. BENJAMIN: Yes, sir.

THE CHAIRMAN: You want to have more sales of American magazines on our newsstand so that your business will be more profitable?

MR. BENJAMIN: We also sell Canadian magazines and we will be glad to sell those -- what they are.

THE CHAIRMAN: You won't sell too many of them if you give them away.

Have you any question, Mr. Johnston?

COMMISSIONER JOHNSTON: No, thank you.

THE CHAIRMAN: Thank you, sir. We will recess now for five minutes.

---Recess.

1. 關於本會之組織及職權範圍，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

2. 關於本會之經費來源，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

3. 關於本會之辦事處設址，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

4. 關於本會之業務範圍，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

5. 關於本會之會員資格，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

6. 關於本會之選舉及罷免程序，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

7. 關於本會之修訂及廢止程序，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

8. 關於本會之其他重要事項，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

9. 關於本會之其他重要事項，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

10. 關於本會之其他重要事項，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

11. 關於本會之其他重要事項，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

12. 關於本會之其他重要事項，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

13. 關於本會之其他重要事項，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

14. 關於本會之其他重要事項，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

15. 關於本會之其他重要事項，業經本會第一次會員大會通過，並經呈請主管機關備案在案。

THE CHAIRMAN: Will you identify yourself for the record.

MR. D'AOUST: Mr. Chairman, my name is Andre J. D'Aoust. I am past president of the Business Paper Editors' Association -- the Montreal Chapter, that is.

I would like to present the first part of this brief in French and then go on to an English short summary and answer your questions in English.  
.....(French)

With your kind permission, I should like to outline the main points of this brief in English.

Any country needs a strong press of its own to communicate information and ideas. Periodicals are especially well suited to expound scientific, technical, economical and political subjects.

I would like to add here a short definition of a business paper. A business paper is one that leads and guides industry thinking. A business paper serves the interest of businessmen, industrialists, professionals, in keeping them abreast of developments, new techniques, new products, news related to their particular field.

There is no doubt that their contribution favours the healthy and rapid evolution of a nation.

This is especially true of a young and growing country such as Canada. It is our contention that an active and progressive press



is essential to the very existence of an independent nation.

It should be added here that our budding Canadian culture, if it is to develop and flourish, must bank on a thriving Canadian periodical press.

Canadian publications are concerned with Canadian problems. They, better than any others, can treat problems which are proper to Canada alone, due to its climate, its geographical position, its economics, its two languages, its political, social and technical differences.

It is evident that no American magazine, whether it be completely edited for foreign readers or just contain a few pages of Canadian news, can adequately do the job that needs to be done here. Only an infinitesimal part of the questions that need to be aired in Canada can be treated. Moreover, questions where American interests differ from ours will necessarily be biased in their favour: no foreign magazine can serve the interests of the Canadian people because it is duty bound to a foreign people and civilization.

The following instances demonstrate this point: Canada's tax and fiscal structure are different; so are Canada's laws; they often vary from province to province. Winter construction problems due to the climate, materials and equipment available, require special attention. Seasonal unemployment, development of our natural resources





to the benefit of Canadians, production and labour costs, union problems and professional training can only be dealt with adequately and regularly by Canadian publications. Our interest with regard to economics, commercial and defense problems are necessarily different and it is unthinkable to expect American magazines to share our point of view.

Other subjects which would be sadly neglected, when interests differ, are problems of import and export, dumping in Canada of American construction equipment, liquidation of wheat surplus, sales of pharmaceutical products, commercial relations with Cuba, the question of military bases in Canada and the adoption of military equipment by the Canadian Army.

Since these questions are vital to the continued growth and development of Canada, it follows that the periodical press which is best fitted to examine them and suggest solutions should be given adequate protection so that it may grow with Canada.

It is our contention that the very existence of the Canadian press is presently threatened by the invasion of foreign magazines and by the every increasing share of advertising dollars which is going into these publications. As editors of business papers, we cannot overlook this all-important monetary consideration. We are well aware that more and more of the badly needed advertising revenue is lost to American publications.



We are also well aware of the financial needs required to produce better and better magazines: We all have budgets to contend with and we will admit readily that the quality of any product can always be improved in direct proportion with the size of our research funds, the quality of our tools such as more regional contributors, more travelling, engravings and photographic budgets, the quality of the paper used and last but not least, the quality and the number of the editors themselves. In short, we need every dollar available to constantly improve our editorial product. If foreign competition increases at the rate that it has and that it could, we fear that our days are counted and that our papers will no longer be able to serve the country to which they are devoted.

It is not our intention to limit the freedom of the press but rather to foster more freedom for Canadian publications, by permitting them to exist in their own country. What would freedom of the press mean if this were denied due to economical disadvantages?

In conclusion, we are inviting the Royal Commission on Publications to give some thought to the following suggestion: That a tax based on the true cost of editorial matter in foreign magazines sold or distributed in Canada be levied, and that the tax be sufficiently high to discourage advertisers from using foreign publications to advertise



COMMISSIONER JOHNSTON: Mr. D'Aoust, what is the competitive situation in Canada among Canadian publications?

MR. D'AOUST: You mean within Canada?

COMMISSIONER JOHNSTON: Yes.

MR. D'AOUST: Well, there is quite a bit of competition. Again I am only speaking for business publications. There is quite a bit of competition.

COMMISSIONER JOHNSTON: Are you a full time employee of this association?

MR. D'AOUST: No, I am with a publishing company.

COMMISSIONER JOHNSTON: What company?

MR. D'AOUST: Wallace Publishing.

COMMISSIONER JOHNSTON: You think that if there was no so-called Canadian editions of U.S. publications that you would have a better chance to make more money and having more money to develop your property?

MR. D'AOUST: Yes, that second example is the case. We feel that we are losing a lot of money to Canadian editions of American publications; that rightly should be spent in our own books and by the same token we could improve, therefore, our products.

COMMISSIONER JOHNSTON: Well, these business papers that come over here, are they taking

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Canadian advertising.

MR. D'ACUST: Some of these American business papers.

COMMISSIONER JOHNSTON: Yes.

MR. D'AOUST: They are, some of them.

COMMISSIONER JOHNSTON: What about the waste circulation?

MR. D'AOUST: Also there again there is a factor.

COMMISSIONER JOHNSTON: I mean, these are so called Canadian editions of American business papers. Is that so?

MR. D'AOUST: Some of them are, yes.

COMMISSIONER JOHNSTON: Name one or two, will you?

MR. D'AOUST: I have six here. N.D. of Canada; Cleaning Laundry World, Fuel Oil News of Canada, Medical economics, Canadian Office.

THE CHAIRMAN: Did you say Canadian artists?

MR. D'AOUST: Canadian Office.

COMMISSIONER JOHNSTON: They were the magazines that Mr. Wallace mentioned this morning?

MR. D'AOUST: Yes.

COMMISSIONER JOHNSTON: I have the impression that these trade papers -- what I used to call them -- are doing pretty well on the whole.

MR. D'AOUST: Well, sir, we are concerned





as to the trend. I will quote here from the NBA brief, that is a business paper organization, which produced this brief earlier, I believe, in Ottawa at the beginning of these hearings. They say:

"In 1949 a total title of United States business papers overflowing into Canada was 510 and in 1959 it increased to 1497".

There was a trend there.

COMMISSIONER JOHNSTON: What increase has there been in Canadian papers at the same time?

MR. D'AOUST: I haven't got that right in front of me. I would have to look it up.

COMMISSIONER JOHNSTON: Can you get it for us?

MR. D'AOUST: Yes.

COMMISSIONER JOHNSTON: It seems to me it is quite important to know. Everybody has something wrong with them in a business way and I have an incurable disease and it is age.

That is all.

COMMISSIONER BEAUBIEN: Mr. D'Aoust, in your presentation you say in your conclusion "In conclusion, we invite the Royal Commission on Publications to give some thought to the following suggestion: that a tax based on the true cost of editorial matter in foreign magazines



sold or distributed in Canada be levied, and that the tax be sufficiently high to discourage advertisers from using foreign publications to advertise in Canada."

Well, that would mean that the publisher would have to turn over the cost of this tax to the advertiser.

MR. D'AOUST: That is very likely that the most of it will be turned over.

COMMISSIONER BEAUBIEN: And if that was the case then you would therefore bar foreign magazines from entering Canada?

MR. D'AOUST: Not necessarily. It doesn't necessarily follow then because some come here that do not solicit advertising from Canadians or are firms doing business in Canada.

COMMISSIONER BEAUBIEN: That is very few; certainly not the consumer magazines or the trade magazines.

MR. D'AOUST: Yes.

THE CHAIRMAN: Thank you very much, sir.

COMMISSIONER JOHNSTON: Mr. D'Aoust, you will not forget to try and get these figures on Canadiana magazines?

MR. D'AOUST: No.



THE CHAIRMAN: The next brief will be presented by the Employing Printers' Association of Montreal, Inc.

Will you identify yourself, please?

MR. SAVAGE: I am W.K.G. Savage, President of the Employing Printers' Association of Montreal, Inc. I have with Mr. Mr. Fred Best, who is Vice President of the Employing Printers' Association of Montreal; Mr. David Markowitz, the honorary secretary treasurer of the Employing Printers' Association and Mr. David MacLennan, the general manager of the Association.

SUBMISSION OF THE EMPLOYING  
PRINTERS ASSOCIATION OF MONTREAL, Inc.

APPEARANCES:

|                     |                                 |
|---------------------|---------------------------------|
| Mr. W.K. Savage     | President                       |
| Mr. Fred Best       | Vice President                  |
| Mr. David Markowitz | Honorary Secretary<br>Treasurer |
| Mr. David MacLennan | General Manager                 |

The Employing Printers' Association of Montreal, Inc. has a membership of fifty-five printing, typesetting, and bookbinding firms, as well as twenty-six associate members engaged in supplying these firms with such basic needs as engravings, paper, ink and machinery. Our membership



list is attached.

Our organization is a member of the industry's national body, the Graphic Arts Industries Association, with which it shares offices and staff, including management.

The comprehensive brief already presented by the Graphic Arts Industries Association is fully endorsed by the board of the Employing Printers' Association of MONTreal, with the qualification that one director has stated he does not believe there is any real intent by the United States government and by United States publishers to influence the thinking of Canadians. We do wish to amplify the national brief.

Statistics in recent years have indicated that roughly one-quarter of Canada's printing and publishing production originates in the Province of Quebec; and about 70 per cent of this in the Montreal area. Including, as they do, the largest commercial printing plants in Montreal, as well as many smaller ones, our members account for a very substantial part of the production and the employment in this city -- possibly the greater part. Consequently, conditions affecting the industry as a whole, adversely or beneficially, concern us in a very real sense.





is a fact.

To save your time by not going over the same ground, we subscribe to and generally agree with the submission with regard to European magazines being jointly presented by three of our sister associations, L'Association des Maitres-Imprimeurs de Montreal, Inc., Le Syndicat Patronal de l'Imprimerie de Quebec, and Le Syndicat des Maitres-Imprimeurs de l'Ouest de la Province. At the same time, we must point out that, with quick communication and fast delivery, the European printers and engravers also have been showing increasing interest in the Canadian market.

However, the bulk of printed imports comes from the United States, which obliges us to speak often about the U.S. We are acutely aware that American publishers (between their publications and frequent bulk mailing) and American-owned or controlled Canadian companies (many of which bring their sales literature and other printing into Canada from the U.S. in large quantities) are responsible for creating much of the imports -- and the consequent restriction of our growth potential.

The offices of business and industry, lawyers, doctors, and government departments are subjected to a large daily inflow of printed sales literature arriving in the mail. Most of this is costly to produce; and too much,



in our opinion, is printed abroad, thus building production and employment for other countries at Canada's expense, directly or indirectly.

School yearbooks, postcards, book publishing, newspaper comic sections and supplements -- these are conspicuous examples of growing domination in our market by our U.S. competitors. We have just learned that the International Playing Card Co. has closed its printing plant in Windsor, Ont., in order to import flat printed sheets from Cincinnati, so that we revert to the role of "hewers of wood and drawers of water" -- being left to die-cut and package the imported playing cards. Perhaps even the packages will be imported as flat sheets too. This would not be surprising. This I might add, sir, we have learned this is the case. The packages are being brought into Canada. Unduly easy entry of such goods supplies a great temptation to avoid or to minimize manufacturing within Canada.

Three American periodicals -- Reader's Digest in English and French editions, MD of Canada, and Fuel Oil News -- are printed by one of our members. The Reader's Digest has made a large capital investment in Montreal and spends millions of dollars annually on its operations here. Time has indicated its intention to have the same company print its Canadian edition, so that this member firm is making a major investment in new printing machinery (made in the



U.S.) in order to produce Time. Other Montreal printing firms have substantial capital invested in plant and machinery in order to produce Canadian periodicals. Unquestionably more printers would buy more machinery, and hire more craftsmen, if there were more publications to print. But the fact that domination of the market by imported periodicals discourages new Canadian publishing ventures inevitably removes the likelihood of printing plant expansion to accommodate such ventures.

The Montrealer and the Canadian Geographical Journal are two magazines printed by members of this Association, each of which has a respectable public following. Neither has the resources to match the standards of quality and visual appeal which can be delivered by their big competitors. Quality alone cannot ensure the success of a national or regional magazine. Working capital and advertising revenues are imperatives -- all the more so when the layman has been led to expect that annual subscription rates are normal in the range of \$2 to \$5. How many people would be willing to pay \$25 or \$50 for a magazine subscription, so that the publisher could concentrate on quality of content and be independent of advertising problems? Surely very few people would or could pay such a price. The realities are that the publisher must sell subscriptions at a low rate and struggle to secure most of his revenue by soliciting advertising



from the same big companies his competitors already have on contract. Nor will they increase their total spending simply because another publication has been started.

Unthinking acceptance and regular purchase by Canadians of imported publications (however good or bad, and whatever the cultural implications) is a guarantee that these publications will become entrenched here, with large circulations on the strength of which they can solicit the advertising of Canadian companies directed to Canadian audiences. It is a guarantee that employment will grow in foreign printing and publishing industries, and that employment will be restricted here.

Our industry happens to be the one which employs more creative and skilled Canadians than any other industry. It is a big industry established in all provinces. Its average profits are on the low side, as the Graphic Arts Industries Association has shown. Its journeymen workers in the principal cities earn an average of \$5,000 to \$6,000 per year, very often up to \$7,000 and \$8,000, without allowing for fringe benefits. Their earnings are above the average for industry, and it is desirable from the standpoint of purchasing power and tax revenues, and for their own sakes, that this industry should prosper and expand year after year.

Are we wise or sensible to expose this







geographically wide-spread industry, and the tens of thousands of skilled Canadians it maintains at above-average wages, to wholesale exploitation by foreign interests? We believe, in all its diverse parts, this industry -- printing, publishing, and the allied graphic arts -- is the most important secondary industry, giving great support to both primary and tertiary industries. Foreign competition is an unsatisfactory substitute for any part of it. Since financial resources and volume give the outsiders a tremendous advantage, we have all the more reason to exert ourselves in order to preserve our industry and our national interests -- rather than letting them perish from the simple lack of volume and normal protective measures which are wanting. As other nations do and have done, Canada should protect and nurture domestic industry until population growth and other vital factors improve its competitive abilities. Otherwise we just cannot expect to employ our people in growing numbers.

Among the points we wish to stress most particularly is, first of all, the huge imbalance in our country's and our industry's external trade because of printed imports. While the brief of our national organization has conservatively estimated imports in 1959 at \$110,000,000 -- making some allowance for publications and other printed matter entering through postal channels -- it is



very evident that there is a far greater volume of printed imports completely overlooked by most people. This is not statistically recorded, but it represents a very substantial loss of productive employment in Canada and it worsens our unfavourable balance of trade. The true total could be more like \$175,000,000 or \$200,000,000, as compared with our own exports of about \$5,000,000 in 1959.

Here we refer to the fact that most retail goods imported from abroad, not classified as printed matter, normally (1) have been printed, or (2) come in attractively printed packages, or (3) carry printed labels, or (4) are accompanied by printed diagrams, instructions, prestige brochures, and/or re-order forms and guarantees. Thus, it is extremely important for Canadians to realize that a substantial part of the price they pay for foreign goods (which they may never think of in terms of printing) goes to pay -- not for the camera, the electric shaver, the toy, or the parlor game -- but for the printed package and other printing involved.

The tariff on cameras, shavers, toys, etc. may be applied, but the tariff on accompanying printing is not -- and the value of the printing in such cases is not even appraised or recorded by Canadian Customs.

We do not object when articles imported in limited quantities -- for example, an electronic



computer, or a Rolls-Royce -- are accompanied by costly instruction booklets. It would be unreasonable to argue that the printing should be originated and produced in Canada.

Nor do we object when Canadian branches of foreign companies send out a few pieces of expensive imported sales literature to a limited group.

What we do object to, in this regard, is the practice of manufacturers who sell products by thousands, tens of thousands, and hundreds of thousands, and who sell them with imported printed matter in the same or greater quantities.

Taking the long view, with respect to goods sold from coast to coast in large volume, if the magnitude of the problem remains and grows, then Canadian consumers will pay annually greater and greater tribute to foreign printers -- in terms of millions of dollars, without the Government of Canada collecting one cent of duty on the "overlooked" class of printed imports. Surely it is to Canada's advantage, and it is to Canada's enlightened self-interest, to induce the manufacturers and importers concerned to secure their bulk Canadian printing requirements in the country which pays for them.

For example, our belief is that tariffs should be moderate when applied to printed sales material entering in limited quantity. But, when there are -- let us say, for purposes of discussion



-- 5,000 or more printed pieces involved, the duty should be high enough to make it economical to print in Canada. If tens of thousands of one make of an electric razor are sold in Canada at \$15 or \$20 apiece, the manufacturer grosses enough business to warrant doing his printing here. The foreign publishers, in many instances, gross enough circulation and advertising revenue to justify printing in Canada. When their Canadian circulation exceeds 15,000 or 20,000 copies, there should be inducements to print in this country.

As printers, typesetters, and bookbinders, we are distressed by some Canadian manufacturers -- many of them identified with a "Buy Canadian" campaign -- who consistently import their sales literature and other printed needs from parent companies outside Canada. They can obtain this material at a low cost, sometimes at no cost, with the result that the declared value for customs purposes and the duty payable are excessively low.

In this connection it should be pointed out that the law says the lowest value for duty purposes is the fair market value. In order to arrive at the fair market value of printed material imported by Canadian branches of foreign companies, the Canadian Customs service is instructed to advance the declared value by 30 per cent in the case of one-colour work, and 35 per cent in the case of two or more colours, "pending





investigation if found necessary". (See pages 80b and 80c, 1960 edition, "Handbook of the Canadian Customs and Excise Tariffs".) Investigations can seldom be undertaken by the customs staff available. The value of paper cartons, paper boxes and paper containers, entering under similar conditions, is advanced by 25 per cent when not printed, and 30 per cent when printed. The percentages just cited are wholly unrealistic. For example, unit costs in relation to quantity vary tremendously. The unit cost of 100,000 sets of certain types of business forms is less than half the unit cost of 10,000 sets. One specific comparison to illustrate this is a unit cost of \$4.00 per 100,000 as compared with \$8.05 per 10,000. This is a difference of more than 100 per cent.

In regard to general sales literature, a difference of 50 per cent in the unit cost would be a fair average.

Therefore, since ~~our~~ population and our press runs are smaller, we need to apply Canadian market values at the customs level, not Japanese values, or American, or French, or British. The proper valuation of 10,000 sales brochures entering Canada should be in terms of the unit cost of producing 10,000 brochures in Canada, and not in terms of the unit cost of producing 100,000 or 1,000,000 in the United States or elsewhere.

Consequently, our recommendation is that



the percentage advance of declared value ought to be much higher to approach a fair market value based upon Canadian unit costs. Otherwise Canadian labour and industry simply will not have a fair chance to compete in the Canadian market.

It is apparent that, whether Canadian companies take advantage of immediate savings by importing their domestic printing requirements, or whether Canadian citizens try to save money by buying a foreign product which we do or can produce, that the end result is loss of production and jobs in Canada, and a progressive curtailment of hopes for future industrial expansion and for employment of newcomers to the labour force.

Two more specific recommendations we wish to make (and we know that our national organization plans to deal with these as well as others). These are:

(1) Since it clearly is difficult for Canadian Customs appraisers not versed in printing production costs to make realistic valuations, we urge that the Department of National Revenue recruit appraisers experienced in the printing industry, and post them at the principal ports of entry. This would tend, in our opinion, to ensure that printed imports will be more accurately valued, and that Canada will collect appropriate



tariff revenues. This procedure would also give us a more nearly correct statistical measurement of the dollar volume of imports. And it would supply the Canadian Customs with greater consistency in valuing imports from all other countries.

(ii) The Marking Act stipulates that the imprint identifying the country of origin must be positioned in a conspicuous place and in legible form. In practice, our habit has become to accept the foreign imprint when positioned in the least conspicuous place and in the smallest, most nearly illegible type size. Such tricks as concealing imprints in a fold or under a flap, running them vertically in relation to horizontal text matter, printing them in the smallest type with pale inks, and placing them on an edge easily trimmed off after importation, are all too common.

We recommend that the customs service reject all goods which so obviously violate the Marking Act, and that the Act be rigidly enforced in keeping with its intention. It should be applied with equal force to imported publications, as to any other imports.

It is earnestly to be hoped that this



Royal Commission, and the Government of Canada, will join us -- as they doubtless want to do -- in attempting to place all the facts and issues before the Canadian people. For, ultimately, it will be the people who must decide whether they wish to give wholehearted support to Canadian enterprise, Canadian employment, Canadian culture, and Canadian independence.

These things are interdependent, and cannot prosper naturally and healthfully without a flourishing printing and publishing industry -- nurturing the spirit of Canada and selling her goods and services with all the power of the printed medium.

Therefore, with these observations and recommendations, we again associate ourselves with the more detailed submission already made by the Graphic Arts Industries Association, and with the recommendations it is preparing to place before you.

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ROSTER:

THE EMPLOYING PRINTERS' ASSOCIATION OF MONTREAL INC.  
1509 Sherbrooke Street West, December 1960.

REGULAR MEMBERS

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|--|--|
| Alliance Press Ltd.,                           | 80 Port Royal St. E.                             |
| Apex Press Ltd.,                               | 4361 De Bullion St.                              |
| Arlington-Kerr Ltd.,                           | 205 Vitre Street W.                              |
| Art Bookbinding & Loose<br>Leaf Co.            | 7175 St. Urbain St.                              |
| Atlas Press Ltd.,                              | 1240 St. Antoine St.                             |
| Barwick & Son Ltd.,                            | 284 Ontario St. W.                               |
| Belgrave Press Ltd.                            | 334 Notre Dame St. E.                            |
| Birch-Hinds Printing<br>Co. Ltd.,              | 1030 St. Alexander St.                           |
| Brown Press Ltd.,                              | 610 St. James St. W.                             |
| Canadian Printing &<br>Lithographing Co. Ltd., | 5670 Chauveau St.                                |
| Churchill Press Ltd.,                          | 2160 Harvard Ave.                                |
| Clen-Mathers Press Ltd.,                       | 1040 Bleury St.                                  |
| Corneil Ltd., C.R.,                            | 360 Craig St. W.                                 |
| Corona Printing Reg'd.,                        | 6670 Jeanne Mance                                |
| Crites & Riddell Ltd.,                         | 1050 Mountain St.                                |
| Desbarats Printing Co. Ltd.                    | 494 Lagauchetiere St. W.                         |
| Ditto (Quebec) Ltd.,                           | 265 Vitre St.                                    |
| Esler, Fred F., Ltd.,                          | 1030 St. Alexander St.                           |
| Gazette Printing Co. Ltd.,                     | 1000 St. Antoine St.                             |
| Herald-Woodward Press Inc.                     | 970 McEachern Ave.                               |
| International Railway<br>Publishing Co. Ltd.,  | 480 Lagauchetiere St.                            |
| Jonergin Co. Inc.,                             | 110 River St.                                    |
| King Press Co. Ltd.,                           | 360 LeMoyne St.                                  |
| L'Etoile du Nord,                              | Joliette, P.Q.                                   |
| Lovell & Son Ltd., John,                       | 423 St. Nicholas St.                             |
| Macdonald Press Co. Ltd.,                      | 77 Vitre St. W.                                  |
| McLean Brothers Ltd.,                          | 454 Lagauchetiere St. W.                         |
| Mercury Press Ltd.,                            | 6833 de l'Epee Ave.                              |
| Metcalf Robinson<br>Printing Service Ltd.,     | 395 Dowd St.                                     |
| Mount Royal Press Ltd.,                        | 5740 Ferrier St.                                 |
| Mount Royal Typsetters Inc.                    | 270 Vitre St. E.                                 |
| Palmer Ltd., Wm. F.,                           | 255 St. Denis Ave.                               |
| Peck Printing Co.,                             | 5075 Fullum St.                                  |
| Plow & Watters Ltd.,                           | P.O. Box 184, Station "O"<br>Town of Mount Royal |
| Poirier-Bessette Co. Ltd.,                     | 975 De Bullion St.                               |
| Powter's Prompt &<br>Punctual Printery,        | 362 Notre Dame St. W.                            |
| Rapid Press Limited,                           | 1180 St. Antoine St.                             |
| Robson Printers Limited,                       | 2125 Hingston Ave.                               |
| Roger Press,                                   | 2733 Notre Dame St. E.                           |
| Rolph-Clark-Stone-<br>Benallack Ltd.,          | 5655 Boyce St.                                   |
| Ronalds-Federated Ltd.,                        | 6300 Park Ave.                                   |
| W. Gordon Ross Ltd.,                           | 2209 Beaconsfield Ave.                           |

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| Schindler Press Inc.,                      | 190 Rockland Ave.      |
| Scotia Ticket &<br>Printing Ltd.,          | 425 River St.          |
| Simpson Press Ltd.,                        | 171 Metcalfe Ave.      |
| Southam Printing Co.,                      | 1061 St. Alexander St. |
| Stevenson Printing Co. Ltd.,               | 449 St. Peter St.      |
| Sully (1958) Inc., George,                 | 973 Victoria Square    |
| Super Press Inc.,                          | 704 Notre Dame St. W.  |
| Typographic Service Reg'd.                 | 1061 St. Alexander St. |
| University Press of New<br>Brunswick Ltd., | Fredericton, N.B.      |
| Upton Co. Ltd. (The),                      | 736 Notre Dame St. W.  |
| Victoria Press Ltd.,                       | 8235 Mountain Sights   |
| Villemaire Freres Ltd.,                    | 840 William St.        |
| Wallace Press Ltd.,                        | 146 Bates Road.        |



ROSTER:

THE EMPLOYING PRINTERS' ASSOCIATION OF MONTREAL INC.  
1509 Sherbrooke Street West, December 1960.

ASSOCIATE MEMBERS:

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| Ault & Wiborg of<br>Canada Ltd.,         | 5520 Chabot St.                    |
| British American Bank<br>Note Co.,       | 975 Gladstone Ave.<br>Ottawa, Ont. |
| Canadian Linotype Ltd.                   | 675 King St. W.<br>Toronto, Ont.   |
| Consolidated Paper<br>Sales Ltd.,        | Sun Life Building, Mtl.            |
| Dawson Ltd., W.V.,                       | 6465 Durocher St.                  |
| Dymont Ltd.,                             | 5555 Casgrain Ave.                 |
| Federal Paper Co. Ltd.,                  | 404 McGill St.                     |
| General Printing Ink<br>Corp. of Canada, | 70 Bates Road                      |
| Harris-Seybold (Canada) Ltd.             | 637 Craig St. W.                   |
| Havill Paper Co. Ltd.,                   | 240 Guizot St. W.                  |
| Howard Smith Paper<br>Mills Ltd.,        | 2300 Sun Life Bldg., Mtl.          |
| Kruger Paper Co. Ltd.,                   | 3285 Bedford Road                  |
| Lauzier Paper Ltd.,                      | 417 St. Nicholas St.               |
| Little Papers Ltd., T.B.,                | 3540 St. Patrick St.               |
| Manton Bros. Ltd.,                       | 970 McEachern Ave.                 |
| McFarlane Son &<br>Hodgson Ltd.,         | 914 St. Alexander St.              |
| Meco Ltd.,                               | 1027 Mountain St.                  |
| Provincial Paper Ltd.,                   | 4444 St. Catherine St. W.          |
| Rapid Grip & Batten Ltd.,                | 384 Vitre St. W.                   |
| Robertson Reg'd, J.S.,                   | 175 Lagauchetiere St. W.           |
| Rolland Paper Co. Ltd.,                  | 1645 Sherbrooke St. W.             |
| Sears Ltd.,                              | 1061 St. Alexander St.             |
| Sinclair & Valentine Ltd.,               | 6765 Hutchison                     |
| Toronto Type, Foundry Ltd.,              | 689 Notre Dame St. W.              |
| Wilson Munroe Co. Ltd.,                  | 17 De Castelnau St. E.             |



(Savage)

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THE CHAIRMAN: Do you have any questions, Mr. Johnston?

COMMISSIONER JOHNSTON: I wonder if we could have a few questions in the morning.

THE CHAIRMAN: Will you be here, Mr. Savage?

MR. SAVAGE: Yes.

THE CHAIRMAN: We will postpone the questioning until the morning. Thank you very much, sir.

We will adjourn until 10:30 tomorrow morning.

---Whereupon the hearing adjourned to December, 9th, 1960 at 10:30 a.m.





SUBMISSION OF THE ENGINEERING INSTITUTE  
OF CANADA

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The council of the Engineering Institute of Canada, a non-profit, voluntary professional society, incorporated by Canadian Charter in 1887, and with a current membership of about 21,000 Canadian engineers and engineering undergraduates endorses the Report on the Position of Canadian Periodicals prepared by the Canadian Periodical Press Association in October, 1960.

The Engineering Institute of Canada publishes The Engineering Journal (established in 1918) as a service to members of the profession of engineering in Canada, and, as a service to Canadian engineering undergraduates, Engineering Careers in Canada (established in 1957).

It has been the experience of the Institute that certain commercially produced technical periodicals and semi-technical and "news" periodicals originating in the United States of America, which obtain advertising from Canadian industrial advertisers, have made serious in-roads into the revenues derived by the Institute through sale of advertising in its technical periodicals.



It is the policy of the Institute to preserve an even balance between the advertising and editorial content of its publications. Therefore, all losses in advertising revenue, to U.S. periodicals, have resulted in a decrease in the volume of technical material the Institute is able to publish for the assistance of engineers in the development of Canada.

Because of the volume of their business, it is possible for publishers in the U.S.A. to spend large sums of money to develop their contacts with prospective Canadian advertisers. If they are successful in obtaining contracts from them, none of the revenue derived from Canadian sources remains in Canada; with the exception of payments to their Canadian representatives (advertising and editorial).

The current experiences of the Publications Manager of The Engineering Institute of Canada and his staff indicate that efforts of publishers, in the U.S.A., which affect The Engineering Journal are being greatly intensified -- presumably because of the growing wealth and industrial importance of Canada. Further U.S. companies, which formerly used Canadian periodicals to advertise their products to Canadian engineers, are now being induced by the U.S. publishers to rely on their "overflow" circulation in Canada as a means of contacting potential Canadian



purchasers.

It is less expensive for some publishers in the U.S.A. to mail their publications to Canadians than it is for competing Canadian periodicals to reach the same people. This condition is considered to be most unfair.

To be in a position to continue to present to Canada's engineers and engineering undergraduates the technical information so vital to them in the development of Canada, the Institute must have increasing revenue to meet the rising costs of production and increasing demands from the readers for additional technical data. All revenues derived through the sale of advertising in The Engineering Journal and other publications of The Engineering Institute of Canada are spent exclusively in Canada. Therefore any losses of advertising revenue to periodicals in the U.S.A. mean a lowering of the amount of money The Engineering Institute of Canada can use to assist in the technical contribution of Canadian engineers to the Canadian economy.

In our view, the dissemination of Canadian technical information is essential to the optimum growth of the Canadian economy, by virtue of the contribution which such information makes to the advancement of the technological, scientific and general knowledge of her professional manpower.



We trust, therefore, that the recommendation of The Royal Commission on Publications will create circumstances which will foster a healthy Canadian technical and business press, by assisting Canadian publishers to meet foreign competition on terms that are at least equal.

Garnet T. Page





SUBMISSION OF CANADIAN DEVELOPMENT AND  
INVESTMENT CO. (George J. Wesley).

During your investigation you have heard many complaints and much criticism. May I, as an interested citizen and so-called freelance writer, bring forward a few observations which I hope will be of a constructive nature.

Personally, I have always opposed the American influence in every way of our life. But I feel that many recent allegations such as "the American press is controlling and exploiting the Canadian market" are grossly overstated and in case of some publications unjustified.

Even a brief analysis of the present conditions may bring the problem into a different light.

Whether we like it or not, Canada, due to its geographical proximity, is just a replica of United States in many aspects of life.

In the publishing field, the facilities of a free entry has thrown the Canadian market open to American publications.

However, our media, and especially the periodical press have contributed to this regrettable state of affairs. They have failed



to create our own Canadian journalistic and literary climate and have ignored in the past issues of national interest to Canadian readers.

It is, of course, easier to be pleasing than leading and to ask for drastic protective measures.

We cannot in the same breath condemn and accuse all American publications without making a distinction from among them. Basically, we can divide the American publications into the following groups:

1. Political and cultural magazines such as Time, Life, Atlantic, National Geographic.
2. Business publications such as Newsweek, Businessweek, Fortune and all trade magazines.
3. Women and hobby magazines, such as Ladies Home Hournal, Saturday Evening Post and "confession" magazines.
4. Salacious editions such as Esquire, Playboy, Argosy and others.

Canadian readers have greatly benefitted from the first group, which have opened new horizons and kept them informed about issues the Canadian press have neglected. This group represents an asset in our political and cultural orientation,



and until such a time that we are ready to replace them by similar Canadian magazines, all we can ask for or force by higher tariffs is that they should have their editorial offices here and print in Canada.

Canadian business and manufacturing have gained by taking information from American trade and business magazines, learning about the business practices of the great North American continent.

We have already now many Canadian trade publications and a customs duty of 25 per cent would give our publisher a satisfactory equalization margin. This measure would also stimulate new publications in these fields, where there is still room.

The third group, which include all sorts of ladies "confession" magazines, did not have any good influence on the taste of the Canadian reading public. Even those who claim a better standing specialize in cheap sentimental stories and are primarily interested in advertising as their main source of income.

American magazines for teenagers will hardly produce a lady or a gentleman and are a regrettable evidence of complete disregard for the problems of your young people.

This group represents, however, a challenge to our publishers and editors to produce Canadian



magazines of a better standard.

Last but not the least important group which represents a great proportion of imported publications are those pornographic magazines. These are detrimental to the customs and morals of our people and should come under close investigation during the present enquiry.

Generally, we should give credit to American publications for opening up the Canadian market and creating interest in reading in this country. We cannot blame them for representing the American point of view, just as we cannot expect the popular "Paris Match" to express the opinions of the French Canadian.

Before any preventing or protective tariffs are imposed, we should be ready to replace these publications by good Canadian reading material. We may possibly be ready technically, but editorially and as a nation we are probably not ready.

While an increase in tariffs seems today to be a necessity, it should follow the principle of reciprocity, in order to give our publications an equal standing and even possibilities.

It would be, however, of little value if Canadian editors with all protective tariffs and government subsidies, would continue to follow the conformist pattern of American publishers and produce only Canadian imitations of American





magazines.

The real issues seem to be the necessity to reach a new distinctive Canadian concept of journalism.

On this occasion, one should draw the attention of the commission to the position of freelance writers in Canada, who, up to the present time have virtually no opportunity of contributing to Canadian publications.

What we are certainly lacking is a publication, which would be a platform for issues of national importance and a sounding board for opinions. I propose that some of our magazines should publish a special supplement "The Nation" -- or "The Canadian Forum" -- which, unhampered by advertising should give freelance writers from economic, political and university circles an equal opportunity against the staff writers.

Such a supplement could, at least for some time, receive a government subsidy. Should our publisher consider such publication as non lucrative, I suggest that "The Canadian Forum" should be published under the auspices of the Canada Council.

The costs of similar publications were already established during this enquiry and the importance and influence of such a magazine under the pressure of present problems does not require any further justification.















